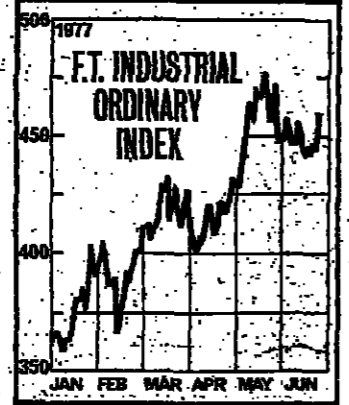


J. TREVOR & SONS Property Consultants

NEWS SUMMARY

GENERAL Talks on Equities Herring ban collapse

BUSINESS Equities rise 9.9; gilts strong



EUROPEAN MARKET negotiations to extend a ban on herring...

Three-point plan for Rhodesia British and U.S. governments are working on a three-point plan...

Uganda 'shot down' Africa has disputed claims that one of her military aircraft...

Runwick talks George Ward, the owner of Runwick, has told Mr. Albert...

Peace plan Israel is drawing up a peace proposal which will be shown...

Jubilee medal sale William Hamilton has offered to sell his Silver Jubilee medal...

Trade wins Brian Wade, who defeated the 1976 champion...

Riety... A woman has been charged with taking a girl on a London train...

Table of price changes yesterday for various commodities and stocks

Steel lists demands for renewing pact with Labour

BY RICHARD EVANS, LOBBY EDITOR Mr. David Steel, the Liberal leader yesterday presented the Prime Minister with a formidable list of ten proposals as a basis for the renewal of the Parliamentary pact...

Transport policy boost for bus industry

BY IAN HARGREAVES, TRANSPORT CORRESPONDENT A BOOST for the bus industry, continued expansion of the trunk roads programme and a shift of transport powers from Whitehall to the county councils were indicated in the White Paper on Transport Policy published yesterday...

Saudi abdication decision delayed

BY HESAN HIJAZI KING Khaled of Saudi Arabia has again expressed his wish to abdicate but has been persuaded to delay his decision until the Princess of the Royal Family have agreed on a smooth succession to the throne...

Pay rise rates should be held - Barnett

By Peter Riddell, Economics Correspondent THE INCREASE in basic wage rates in the 12 months from the end of July should be kept to about the level of the current pay round under the Phase Two policy, according to Mr. Joel Barnett, Chief Secretary to the Treasury...

U.S. share of BP offer cut to 20%

BY MARGARET RED PERSONAL investors who applied for shares in the Government's highly successful £546m. sale of British Petroleum shares received a more generous ration than expected yesterday...

Reduced

Ministers, including Mr. Anthony Wedgwood Benn, the Energy Secretary, who himself had strenuously opposed the idea of selling BP shares to reduce the State's holding from 68 per cent to 51 per cent...

Africa? British Airways I presume.

Fly the flag. Daily 747s to Johannesburg and Nairobi. Frequent flights to Blantyre, Dar es Salaam, Seychelles and Mauritius. Plus 6 non-stop 707s to Cairo each week and services to Addis Ababa and Khartoum.

British Airways advertisement featuring a large image of a flag and the slogan 'I presume.'

Table of features and other pages including TV and Radio, U.K. News, and International News

2 LOMBARD

# Debt: a hopeful forecast

BY ANTHONY HARRIS

MOST DISCUSSIONS between bankers of the growing international debt-problem are more or less gloomy. All bankers share a largely unexpressed unease at the fact that long-term lending to deficit countries, some of them with unstable currencies, are certainly not the kind of assets which banks would prefer to hold against their deposits. The more optimistic reflect that at least we have got by so far, and that if the International Monetary Fund will kindly fulfil the role of a supranational Dun and Bradstreet, all will remain well.

Gloomier hypotheses are easy enough to draw up. Some country somewhere will either suffer a change of heart or a change of government and will renounce its debts; and the step from there to a banking crisis could be a short one. Unless aid or international institutions will bail out the weakest countries, this crisis looks horribly likely.

## Less persuasive

The remaining elements are less important. First, Morgan argues that the non-peninsular states will take a bigger share of the trade once the present two-tier pricing system expires, which is probably a trivial matter in relation to the total flows; and finally that the whole deficit may be further reduced or even eliminated if the U.S. developed an effective energy policy. This at the moment seems too improbable to be worth including in a forecast.

## Here to stay

One assumption which is common to both these sketches of the future is that the deficit problem itself, the cause of all the problems, is here to stay. The oil-producing peninsula states will go on running large surpluses, and investing them commercially; at the other end of this line there will be a queue containing a number of poverty-stricken deficit states.

It is odd that this scenario should be accepted with so little question for it is not long since the OPEC surplus was running more than about \$55bn. annually but at nearly twice that level in real terms. At that time, what is more, the fashionable forecasts were that this surplus would grow.

Morgan Guaranty Trust at least deserves some recognition for asking the right questions when it offers in its June survey of financial markets its own drastically different forecast. Not everyone will accept the Morgan answer, an OPEC surplus falling rapidly to \$10bn, without some sharp questions—including the question of how far Morgan is talking its own book; but it does deserve serious examination.

There are four basic elements in the Morgan forecast. First, Saudi Arabia and its peninsular neighbours are likely to import more than anyone now seems to expect. This is really a simple extrapolation of what has happened in OPEC as a whole

## A fine chance for Carson and Orcis at Folkestone

BY DOMINIC WIGAN

WILLIE CARSON, who has by no means given up hope of pegging back Pat Eddery in the race for the jockey's championship, appears to have a fine chance of adding to his score at Folkestone, to-day.

In the main race here, the Silver tubae Trophy, Carson, the champion jockey in 1972 and 1973, teams up with the five-year-old Orcis. A five-length winner from Hills Station, at Lingfield last month where he made all his own running, Orcis looks capable of confirming his superiority over that rival on only slightly worse terms.

A greater threat could well be Dennis McCoy's mount, the underrated Galahad II. A winner at Haydock and Lingfield last season after being sold out of Ryan Price's stable for 10,000 guineas at the Newmarket autumn sales, Galahad II ran respectably on his reappearance, finishing a close fourth behind the Tista at Newbury.

Although he has to give well over a stone to Orcis, at today's weights this versatile performer could well make a close race of it with Carson's mount.

A second possible winner for the former champion is that hitherto disappointing maiden, Sea Boat, who Dick Herr trains for Mr. Reg Hollingsworth.

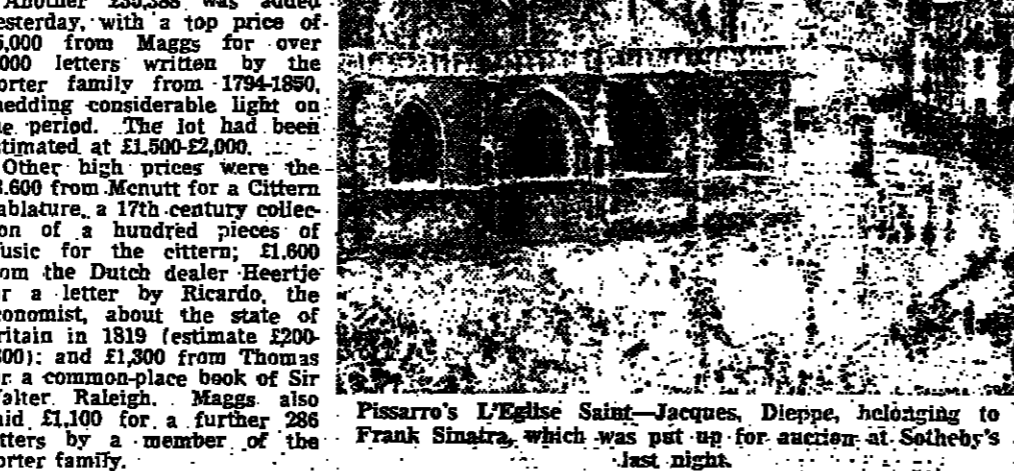
This handsome half-brother by Royal Palace to that fine stayer, Sea Anchor, ran his best race this term when an eight-lengths third of 13. He was behind his Rodman at Sandown on his latest appearance, and it seems probable that he will be too good for Gavin Pritchard-Stone Maiden Stakes.

## Old letters fetch \$5,000

SOTHEBY'S is continuing with the sale of the Bibliotheca Philippica, the extraordinary library of books and manuscripts gathered together by Sir Thomas Phillipps in the first half of the 19th century.

Another £35,388 was added yesterday, with a top price of £3,000 for letters written by the Porter family from 1794-1850, shedding considerable light on the period. The lot had been estimated at £1,500-£2,000.

Other high prices were the £2,600 for Menotti for a Cittern Tablature, a 17th-century collection of a hundred pieces of music for the cittern; £1,600 from the Dutch dealer Heertje for a letter by Ricardo, the economist, about the state of Britain in 1819 (estimate £200-£300); and £1,900 from Thomas for a common-place book of Sir Walter Raleigh, Massachusetts, also paid £1,100 for a further 286 letters by a member of the Porter family.



Pissarro's 'L'eglise Saint-Jacques, Dieppe, belonging to Frank Sinatra, which was put up for auction at Sotheby's last night.

## Barker and Wade reach last four

BY JOHN BARR

IT WAS a great afternoon for Britain in the quarter-finals of the women's singles at Wimbledon yesterday. Virginia Wade defeated Rosemary Casals 7-5, 6-2, and Sue Barker had a 6-3, 6-4 win over Kerry Reid.

But without doubt the performance of the day came from the defending champion Chris Evert, who destroyed Billie Jean King—six times winner of the women's singles—6-1, 6-2 in just 48 minutes.

These two had met twice before in the championships. In the 1973 final Mrs. King won in straight sets. Two years later she triumphed in a three-set semi-final.

Yesterday there was never any doubt about the outcome from the first rally of the match. Mrs. King announced her intentions in the firmest possible manner.

There was a moment of alarm at the start of the next game when Mrs. Evert fell heavily, but she got up smiling and apparently unscathed to wrap up the first set in just 20 minutes.

The 33-year-old Mrs. King, her mobility and stamina under relentless pressure from deep and accurate ground strokes, killing drop shots, and these accurate lobs, managed to win the second set 6-3.

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The 33-year-old Mrs. King, her mobility and stamina under relentless pressure from deep and accurate ground strokes, killing drop shots, and these accurate lobs, managed to win the second set 6-3.

So at 5-2 Miss Evert was serving for what, even by her high standards, was one of her highest wins. Her knees wobbled but she was not to be taken in. She was not to be taken in.

## The Wine Column is on Page 27

By charging to the net on her return of Miss Evert's service. The Florida girl coolly hoisted an inch perfect lob which left Billie Jean flat-footed.

Five more games sped past from which Mrs. King collected a one-set victory before she managed to win a game by holding service.

There was a moment of alarm at the start of the next game when Mrs. Evert fell heavily, but she got up smiling and apparently unscathed to wrap up the first set in just 20 minutes.



Chris Evert in action yesterday.

ent will be Miss Wade, who polished off the doubly Miss Casals in 65 minutes.

The 31-year-old Miss Wade, playing intelligently and placing her shots carefully, led 3-0 and defeated Rosemary Casals 7-5, 6-2, and Sue Barker had a 6-3, 6-4 win over Kerry Reid.

But without doubt the performance of the day came from the defending champion Chris Evert, who destroyed Billie Jean King—six times winner of the women's singles—6-1, 6-2 in just 48 minutes.

## YACHTING BY ALEC BEIR

### Morning Cloud is out

MARIONETTE, MOONSHINE and Yeoman X are the British team defending the Admiral's Cup against challenges from 18 nations in the Cup series, which starts at the end of next month.

After the final trial races last week-end, the choice came as no great surprise. Until then Marianne and Moonshine were the middle-ranged yachts and Yeoman X, for third place at the lower end of the

## TV Radio

**BBC 1**  
 1.00 p.m. Pobel y Cwm. 1.30 Mary, Mungo and Midge. 1.45 News. 1.55 Wimbledon 1977. 4.18 National News (except London). 4.30 Phy. Class (BBC 2 11.25 a.m.). 4.45 Animal Magic in the Morris. 5.10 Let's Make a Musical. 5.35 Ludwick. 5.40 News. 5.55 Nationwide (London and South-East only). 6.15 Wimbledon 1977. 6.55 Silver Jubilee: review of the Fleet. 7.30 The Walton. 8.10 2 Cars. 9.00 News. 9.25 I Didn't Know You Owned. 9.55 Death of the Orient Express: James Cameron Midlands To-day (Birmingham);

**ANGLIA**  
 10.30 a.m. Mr. Stov's Improved Travelling Engine. 11.30 a.m. Mr. Stov's Improved Travelling Engine. 12.30 p.m. Mr. Stov's Improved Travelling Engine. 1.30 p.m. Mr. Stov's Improved Travelling Engine. 2.30 p.m. Mr. Stov's Improved Travelling Engine. 3.30 p.m. Mr. Stov's Improved Travelling Engine. 4.30 p.m. Mr. Stov's Improved Travelling Engine. 5.30 p.m. Mr. Stov's Improved Travelling Engine. 6.30 p.m. Mr. Stov's Improved Travelling Engine. 7.30 p.m. Mr. Stov's Improved Travelling Engine. 8.30 p.m. Mr. Stov's Improved Travelling Engine. 9.30 p.m. Mr. Stov's Improved Travelling Engine. 10.30 p.m. Mr. Stov's Improved Travelling Engine. 11.30 p.m. Mr. Stov's Improved Travelling Engine. 12.30 a.m. Mr. Stov's Improved Travelling Engine.

## ENTERTAINMENT GUIDE

CC—These theatres accept certain credit cards by telephone or at the box office

**OPERA & BALLET**  
 ROYAL OPERA HOUSE, Covent Garden. 7.30 p.m. The Barber of Seville. 8.00 p.m. The Barber of Seville. 8.30 p.m. The Barber of Seville. 9.00 p.m. The Barber of Seville. 9.30 p.m. The Barber of Seville. 10.00 p.m. The Barber of Seville. 10.30 p.m. The Barber of Seville. 11.00 p.m. The Barber of Seville. 11.30 p.m. The Barber of Seville. 12.00 a.m. The Barber of Seville.

**THEATRES**  
 NATIONAL THEATRE, London. 7.30 p.m. The Merchant of Venice. 8.00 p.m. The Merchant of Venice. 8.30 p.m. The Merchant of Venice. 9.00 p.m. The Merchant of Venice. 9.30 p.m. The Merchant of Venice. 10.00 p.m. The Merchant of Venice. 10.30 p.m. The Merchant of Venice. 11.00 p.m. The Merchant of Venice. 11.30 p.m. The Merchant of Venice. 12.00 a.m. The Merchant of Venice.

**THEATRE**  
 THEATRE OF THE HEAVENS, London. 7.30 p.m. The Merchant of Venice. 8.00 p.m. The Merchant of Venice. 8.30 p.m. The Merchant of Venice. 9.00 p.m. The Merchant of Venice. 9.30 p.m. The Merchant of Venice. 10.00 p.m. The Merchant of Venice. 10.30 p.m. The Merchant of Venice. 11.00 p.m. The Merchant of Venice. 11.30 p.m. The Merchant of Venice. 12.00 a.m. The Merchant of Venice.

## F.T. CROSSWORD PUZZLE No. 3416

1 Don't tolerate accounts of posting ban (5, 2, 5)  
 2 Time-serving hardware (7)  
 3 Get round old boy by way of note (7)  
 4 Tired of going comprehensive (13, 2)  
 5 Line of battle that is tight by border (5)  
 6 Pass and finish (3, 7)  
 7 Artist willing to appear in due course (4)  
 8 Instant credit (4)  
 9 Strip one is stuck with north of the border (6, 4)  
 10 Left at sea with fat pig inside (8)  
 11 One decreasing without getting wiser (5)  
 12 Man as if may appear has lacking power (7)  
 13 Our cab I adapt to accommodate N. American animal (7)  
 14 Member joins centre gazed at Leeds (3, 3, 6)

6 Animate during actual performance by Pops (5)  
 7 Position in which people are trained (7)  
 8 Frank loaded with money from good hand at cards (6, 5)  
 9 What Jan. 1 and Dec. 31 represent all the time (4, 2, 4, 3)  
 10 Slight train he wrecked surely (3, 7)  
 11 Rained in Bath on newspaper man (3)  
 12 Dog to follow made to stop before finish (7)  
 13 Let one girl be left to another (7)  
 14 Dare to go round part of RAF (8)  
 15 Superficial film (4)  
 16 Solution to Puzzle No. 3415

**ACROSS**  
 1 DOWN  
 2 Journey allowed to one in three children (7)  
 3 Indian company first caught between two males (5)  
 4 Standard choice between consecutive letters (4)  
 5 Reserve new stores in literary company (4, 6)

**DOWN**  
 1  
 2  
 3  
 4  
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 13  
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 15  
 16

# Lily

by ANDREW PORTER

New operas are less common in New York than in London. In the past decade, the Met produced only Marvin David Levy's *Johnny*, Georges Bizet's *Les Pêcheurs de Perles*, and the only two operas by Vittorio Negri, *The Seasons of Two Sisters* and *Hugo Weisgall's* *News from Jordan*. ...

third movement is a double concerto to discuss between the hero and King Dabin. ...

accompaniment of cocktail-time piano music, sings "Meet me in my orgone box. ..."

One of the pleasures of the summer art season in London is that good shows can be expected at the dealers, which contain important and often little known works. ...



François Clouet's portrait of Charles IX

Two of the most delightful paintings are by members of the Van Loos family. One of these is *Catje Van Loos's Ophelie* in the form of a young girl wearing a supposedly Greek costume. ...

## Festival Hall

### Haffner Serenade

by RONALD CRICHTON

Nothing, it seems, reduces an audience so easily as the less familiar works of favourite composers—or how explain that this admirably chosen programme conducted by Edo de Waart on Sunday afternoon for the English Chamber Orchestra ...



Ara Berberian and Joy Blackett

## Festival Hall/Radio 3

### Romeo and Juliet

by MAX LOPPERT

Andrew Davis's way with the great Berlioz Dramatic Symphony, as revealed in Sunday's new Philharmonia Orchestra ...

from the heat of the drama, that Berlioz must have intended. At times, however, the light, discreet touch appeared just a little too persistent. ...

## Elizabeth Hall

### Philippe Entremont

by DAVID MURRAY

Entremont began his recital on Sunday afternoon by delivering Mozart's Sonata in A—the one with the Rondo alla Turca, beloved of amateurs—as plainly and sweetly as might be ...

Voices Nobles et *Sentimentales* were premiered without their composer's identity being revealed, and that Ravel was discerned him through his newly clarified style. ...

## Third Bracknell Jazz Festival

The Third Bracknell Jazz Festival will be held on July 1 and 2 in the grounds of South Hill Park, a Victorian mansion, ...

## Chance to save trio

The Minister of the Arts, Lord Donaldson, has accepted a recommendation of the Reviewing Committee on the Export of Works of Art that three masterpieces should be held in the U.K. to give public collections the chance to purchase them. ...

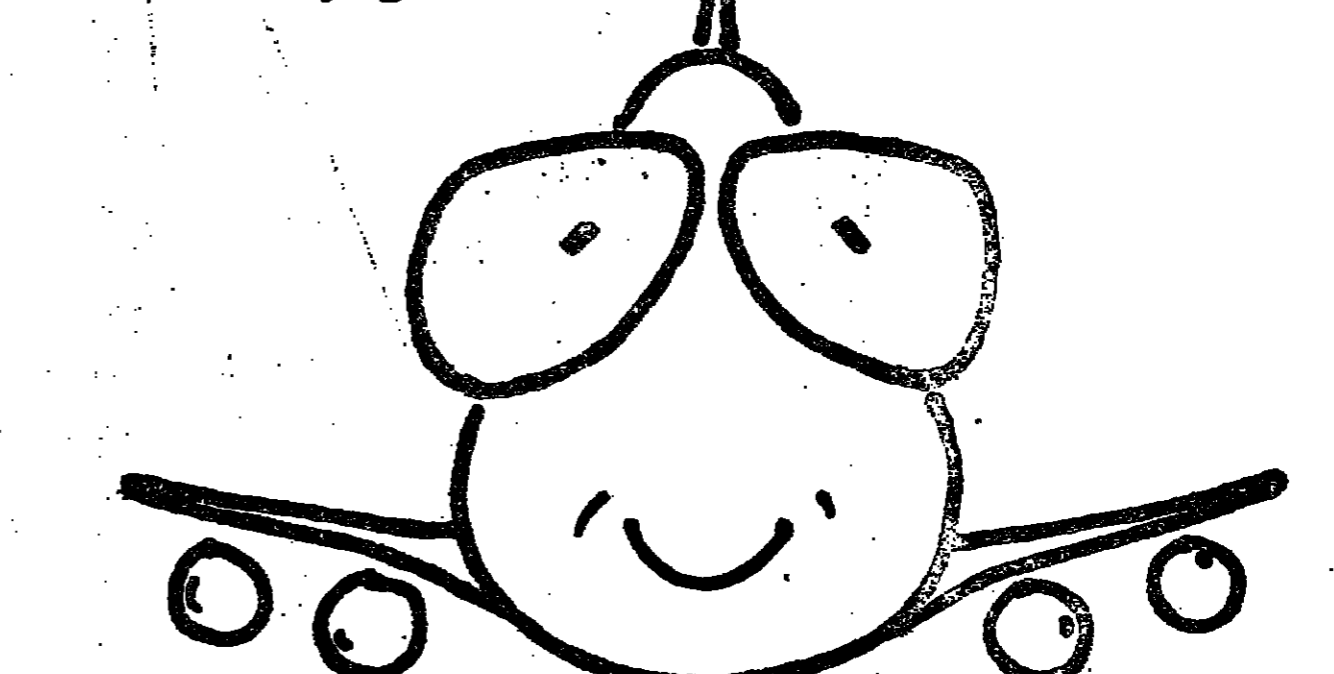
## British Library curiosities

A 1793 advertisement offering a performance of a mock execution on an exact replica of the French guillotine, a demonstration by a "learned pig" ...

## Georgette Heyer Prize

A new annual prize of £1,500 in memory of the late Georgette Heyer is to be awarded by the Bodley Head, Corgh Books and the Heyer Estate for an outstanding full-length historical novel, which will be published in hardcover by The Bodley Head, and as a paperback by Corgh Books (Transworld Publishers). ...

## The SAA 747 Flying Hotel



### Enjoy the sunshine treatment on the fastest flights to South Africa

Every evening, an SAA jumbo soars away from Heathrow and heads south to the sunshine. On Mondays, it's our non-stop to Johannesburg. Saturdays, we run an additional evening flight—non-stop to Cape Town. ...

Comfort all the way

## SAA South African Airways

Where no-one's a stranger

EUROPEAN NEWS

U.K. offers to abandon call for 50-mile limit

BY ROBIN REEVES LUXEMBOURG, June 27.

THE BRITISH Government is prepared to abandon its demand for an exclusive offshore fishing band of up to 50 miles, as part of an EEC Common Fisheries Policy, revised to take account of the general move to 200-mile fishing limits.

Fisheries Policy should aim to provide equal access for EEC fishermen to all EEC waters. Mr. Austin Laing, secretary-general of the British Fishing Federation, was not impressed by the Government's move.

Hopes of upturn in W. German industry.

By Adrian Dicks BONN, June 27

WEST GERMAN manufacturing industry sees little incentive to raise production at present, yet does not consider the business climate to have worsened and is more hopeful that second half of the year will see a definite improvement.

Following the clear downward drift in business confidence registered in April, the May survey shows little change. There was a further shrinkage in the volume of work in hand and of new orders - findings which take on an extra significance in the light of the continued muddle over official industrial production and new orders statistics.

Agreement

There was agreement among responding companies that there would be a smaller than usual seasonal rise in employment during the next few months and less scope than usual for raising prices.

There was no sign, however, of any slowing of the motor industry sales boom, while makers of fine ceramics, goods, precision mechanical and optical consumer durables and of clothing also reported increased sales.

THE AEGEAN AND CYPRUS DISPUTES

Ecevit holds the key to breaking the deadlock

BY DOMINICK J. COYLE, NICOSIA, JUNE 27.

WHEN THE new Turkish Prime Minister, Mr. Bulent Ecevit, presents his minority government's programme to the National Assembly in Ankara to-morrow, his audience will not be limited to Turkey.

Cyprus, or at least until their numbers are reduced, there seems little likelihood of repairing the broken links which brought Greece and Turkey to the brink of war, led to the controversial U.S. arms embargo against Turkey, a vital link in NATO's southern command high command, to get to the people in Ankara.

Mr. Ecevit, who sanctioned the Cyprus invasion, is about the one Turkish politician who can make territorial concessions and survive politically - provided the Turkish army agrees.

There are many keys to the potentially dangerous problems of the east Mediterranean, and any talk of peace in Cyprus or an early settlement by Greece and Turkey of their quarrel over the continental shelf in the Aegean are premature. But undoubtedly any chance of breaking the deadlock on both issues rests with Mr. Ecevit.

The inability of the Greek military to retaliate after the Cyprus invasion initially left Greece in a state of shocked depression. Later, this mood gave way to one of toughness and resolution which was given voice in the Aegean dispute in a "not-an-inch" syndrome, and a feeling that Greeks must fight whatever the military odds if Turkey persists in its territorial claims.

When the Turkish research vessel, Sismik I, moved into the disputed Aegean waters in search of oil, the Greek people wanted action, and even Mr. Karamanlis warned that such an incursion would result in orders to the Greek navy to sink the ship.

Relations between the two main partners of the left-wing alliance, the Socialist and Communist parties, are also currently in a tense state. The Communists have proposed a wide-ranging revision of the Union of the Left's common programme, including an extension of the list of nine industrial groups due for nationalisation, and a huge spending programme, which the Socialists consider to be totally unrealistic.

The Turkish military occupation of Cyprus has changed him - genuinely. Certainly, the mood in Athens is that the Archbishop must perhaps move more than just a little pressure from Mr. Karamanlis, will finally accept an equitable settlement.

Threat to Soares' 3-year plan

By Diana Smith LISBON, June 27

THE PORTUGUESE Parliament reassembled today after a fortnight's break. For 20 days Deputies will debate and vote on crucial legislation, including the minority Socialist Government's three-year plan, revisions to the agrarian reform law and the strike law.

French coalition summit at risk

BY ROBERT MAUTHNER PARIS, June 27.

THE PROPOSAL by M. Jacques Chirac, the Gaullist leader, to end arrangements for the Government-coalition parties, at whether there was any agreement would work out a common strategy for fighting next spring's general election, has run into the opposition of the Radical Party.

negotiations on electoral tactics and arrangements could take place, it had to be established whether there was any agreement which would work out a common strategy for fighting next spring's general election, has run into the opposition of the Radical Party.

Relations between the two main partners of the left-wing alliance, the Socialist and Communist parties, are also currently in a tense state. The Communists have proposed a wide-ranging revision of the Union of the Left's common programme, including an extension of the list of nine industrial groups due for nationalisation, and a huge spending programme, which the Socialists consider to be totally unrealistic.

Orlov faces three-year sentence

MOSCOW, Jun

DR. YURI ORLOV, prominent Russian defector faces charges of defamation of the Soviet State which could limit him to three years; his wife disclosed to-day.

Dr. Orlov, 52, a physicist was detained last February and led the "Ei" group, an unofficial body to scrutinise Soviet com with human rights pledged at the 1975 Helsinki Declaration and co-operation.

Softer Soviet line at Belgrade

BELGRADE, June 27.

THE SOVIET Union has slightly softened its line at the Belgrade conference to review the 1975 Helsinki agreement, Western delegates at the meeting said to-day.

the recent Soviet attacks on the Spanish Communist Party and its Secretary-General, Sr. Santiago Carrillo, as "harmful," "dangerous" and "unacceptable."

in a speech in Sardinia yesterday, Sig. Pajetta clearly took issue on the Soviet attack against Sr. Carrillo, and when he stressed that the Italian Communists were "intent on debate and discussion for the solution of problems which the doctrines of the past could no longer solve."

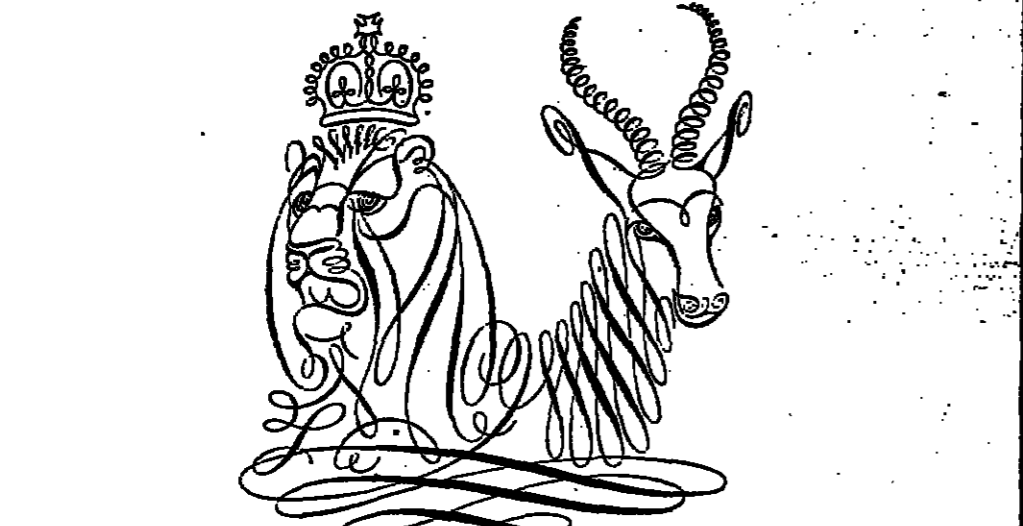
At the veteran Italian Communist Party Deputy, Sig. Giancarlo Pajetta, is scheduled to lead a Communist delegation to Moscow this week for talks with Soviet officials, which are now likely to centre on the Eurocommunism controversy.

Record Iceland wage increases

REYKJAVIK, June 27.

ICELAND'S workers have been awarded their biggest ever wage increases after seven weeks of industrial unrest. The dispute was formally ended by an agreement between the Labour Federation and the Employers' Union which gave all workers an immediate Kr.18,000 (£54) a month wage increase.

Since late last year the situation has improved. The strengthened, with haddock prices in the U.S. reaching record levels, and salted fish, fish meal and fish oil doubling in price. There are now widespread expectations of bumper years ahead.



BRITAIN IS SOUTH AFRICA'S MOST IMPORTANT TRADING PARTNER.

Here's what we're doing our end to help British importers and investors.

Britain is still South Africa's most important market for her exports. British imports range from vital foodstuffs to essential raw materials. And South Africa herself imports more than £600m of British goods every year.



Trading partners for 200 years.

ENTERTAINMENT GUIDE (Continued)

THEATRES WINDMILL THEATRE, CC, 637 6312. THE THEATRE, CC, 637 6312. THE THEATRE, CC, 637 6312.

ART GALLERY

AGNEW GALLERY, 43 Old Bond Street, W.1. MASTERS PT. 19th-20th C. 19th-20th C.

CLUBS

THE THEATRE, CC, 637 6312. THE THEATRE, CC, 637 6312.

Large advertisement on the right edge of the page, partially obscured, with text like 'CAN for con', 'ence as', 'orders de', 'deficit', 'ORLOV AUSTRALIA', 'LEAD', '000 SO', 'WINDMILL AUSTRALIA', 'CRO', 'LEAD', '000 SO', 'WINDMILL AUSTRALIA', 'CRO', 'LEAD', '000 SO'.

AMERICAN NEWS

Fears for consumer confidence as sales and orders decline

BY DAVID BELL

WASHINGTON, June 27.

CONSUMER confidence, which the administration recognises is critical if the economy is to maintain the momentum of the past six months, may be proving as difficult to predict this year as it was last.

Chile bid to attract British investment

By Hugh O'Shaughnessy

SR SERGIO DE CASTRO, the Chilean Finance Minister, tomorrow launches an ambitious drive to attract new British loans and investments to Chile when he presides over a discussion meeting in London about the Chilean economy.

POLITICS IN GRENADA

Learning to live with Gairy's glitter

BY ALAN RIDING RECENTLY IN ST. GEORGES

THE AMUSED local reaction to Sir Eric Gairy, the Prime Minister's continuing crusade for international recognition illustrates the way political tensions have eased since the strikes and violence that accompanied Grenada's move to independence three years ago.

UN General Assembly every year since independence had any reason to know of his reputation and his regime.



SIR ERIC GAIRY among other titles

In the long run, Grenada's main problem remains space—120,000 inhabitants on a volcanic island of just 133 square miles...

under an assumed name, and the fugitive financier Robert Vesco is said to have flirted with the idea of moving here.

Evidence

With Dominica, St. Lucia and other British Associated Territories moving towards full independence, however, the question inevitably arises: as the first to take this path, has Grenada offered any evidence that such micro-states can survive on their own?

"P.M. scores fifth knighthood in three years" began a dead-end report in the twice-weekly Torchlight newspaper after Sir Eric was knighted by the Queen during this year's Commonwealth Conference, noting for the record that the Prime Minister had long been "Doctor" and "Six" thanks to an honorary Doctorate of Political Science from the National Ecclesiastical University of England (sic) and the Accolade of Knight Grand Cross of the Holy Cross of Jerusalem (awarded by a New York City charity).

Crushing

Had Sir Eric not been re-elected last winter, the situation could have turned nasty again. As he demonstrated in crushing protest demonstrations on the eve of independence in 1974, Sir Eric is determined to hold on to office at whatever cost.

Tolerate

But while many Grenadians reluctantly tolerate the bid for glory by the leader of one of the world's smallest nations, Sir Eric's campaign is inevitably also gaining him respectability and even, to his opponents' distress, legitimacy.

The opposition, of course, had a point. There are no political prisoners here now, but during the recent election campaign also gaining him respectability and even, to his opponents' distress, legitimacy.

U.S. trade deficit cut

BY JUREK MARTIN

WASHINGTON, June 27.

THE U.S. trade deficit narrowed appreciably in May to its lowest monthly figure so far this year, largely because of smaller foreign oil imports.

Government intervention condemned

Financial Times Reporter

INTERVENTION in industry and commerce by national governments that agreed to hold the streets, while the United States, in a survey of senior executives in 33 countries, carried out by the Conference Board and published in New York yesterday.

Lawyers free to advertise

By Our Own Correspondent

WASHINGTON, June 27. THE U.S. Supreme Court ruled today that American lawyers may advertise their services and struck down a ban on such advertising which has been in effect since the beginning of this century.

SYDNEY AUSTRALIA ACROW FOR LEASE 10,000 sq.m. having moved to a larger factory now has available

of modern, well located office, factory or warehouse complex situated at Lidcombe—the heart of Sydney's industrial warehousing and manufacturing area.

Who's looking after the phone? Agovox C380 the latest phone-answering machine from the Zeiss group of West Germany



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OVERSEAS NEWS

South African aircraft 'shot down' in Zambia

BY OUR OWN CORRESPONDENT

A SOUTH African plane was shot down in flames in Zambia's air space recently, the Government radio here said today as President Kenneth Kaunda sought to prepare Zambians for unprecedented direct involvement in the Rhodesian guerrilla war.

Renewing his threat of "hot pursuit" raids deep into Rhodesian territory, President Kaunda told Zambians today to be vigilant in face of "some of the darkest hours in the field of human conflict" yet to come. Zambians should be prepared for "any eventuality," Dr. Kaunda said, reminding his countrymen that Mr. Ian Smith, the Rhodesian Prime Minister, has already warned of possible strikes against nationalist guerrillas based in Zambia.

Toronto Star man missing in Uganda

Mr. Utting flew from Nairobi to Kampala by Air France last Thursday, then disappeared. All attempts here to trace him in Uganda through personal and official contacts have failed. An official of the High Commission said today: "We have had no news of Utting's whereabouts, but it is occupying all our attention. It is an extremely delicate matter."

Sadat continues strong attacks on Soviet Union

PRESIDENT Anwar Sadat of Egypt is continuing to attack the Soviet Union, apparently on the premeditated assumption that such tactics may bring about the resumption of arms supplies and a relief on debts owed to Moscow.

Ethiopians walk out on Djibouti celebrations

THE ETHIOPIAN delegation walked out of official celebrations of the independence of Djibouti yesterday, as the new republic became the 49th member of the Organisation of African Unity.

Marcos gives opponent appeal right

PRESIDENT Ferdinand Marcos has denied a request by Senator Benigno Aquino, the Philippines' best-known opposition leader, who is in prison, for the transfer of his case from a military tribunal to a civilian court.

Six foreigners held in Laos

POLICE in Laos have arrested six foreigners, including the last resident Western journalist in the country, Western diplomatic sources in Vientiane said today.

U.K. resists freight rate change

BRITISH exporters are resisting attempts by the European Community to change their freight rates, which would increase the price of some U.K. exports by between 5 and 8 per cent.

Iranian prisoners

The Janata Government will welcome foreign capital and technology only in areas which it considers vital for further progress of the country, K. E. Sharma writes from New Delhi.

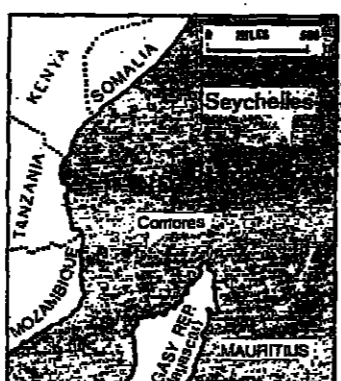
Chinese purge

The purge of radicals in China has led to the downfall of another provincial party chief—the twelfth to lose his job since October, Reuter reports from Peking.

One year and a coup after Seychelles independence, John Worrall examines the massive obstacles to the islands' development.

Hard way to a better life

THE TINY Seychelles Republic celebrates its first year of independence in rather different circumstances from those existing when the Union Jack was hauled down in Victoria on June 29, 1976.



Farmers say it could be reduced if they were given protection. One good poultry farmer whom I met has gone out of business because he could not compete with poultry from South Africa.



Mr. René feels that his first priority is to build desperately needed cheap housing, which was neglected by the coalition and the colonial Government.

WORLD TRADE NEWS

Britain poised to win £1bn. Jaguar order from India

BY K. K. SHARMA

BRITISH Aircraft Corporation has a strong chance of getting a £1bn. rupee (about £100m) order for its Jaguar aircraft from the Indian Air Force provided suitable terms are settled.

NEW DELHI, June 27.

complex is to be modernised to manufacture these. Modifications to suit IAF needs are being made to Mig's, particularly to equip them with air-to-air missiles to be obtained from Western sources, probably France. These aircraft will continue to be IAF's mainstay both for air defence and in ground strike role.

ASEAN can to fight trade curbs

SINGAPORE'S PRIME Minister Lee Kuan Yew today called upon the five-country association of South East Asian Nat (ASEAN) to close ranks against protectionist trade policies in the developed countries.

New Iranian nuclear deal close

BY ROBERT GRAHAM

NEGOTIATIONS are at an advanced stage for West Germany's Kraftwerk Union to provide Iran with a further two nuclear power stations.

TOKYO, June 2

President Seishi Kato of Toyota Motor Sales said the company will increase exports of passenger cars to the U.S. desiring to export to Australia.

Japan steps up car imports

TEHRAN, June 27. The choice of Isfahan will be the first "dry" area site, hence the need for air cooled reactors.

U.K. resists freight rate change

BY ROY ROGERS, SHIPPING CORRESPONDENT

BRITISH exporters are resisting attempts by the European Community to change their freight rates, which would increase the price of some U.K. exports by between 5 and 8 per cent.

Project finance

KUALA LUMPUR, June 27. A THREE-MAN team from Islamic Development Bank is Kuala Lumpur to appraise the multi-million dollar project which the bank had agreed finance in principle.

Lucas order

Lucas Control Systems won a contract valued at over £1m. for machine tool firing systems for Avtorp import USSR.

EUROPEAN TEXTILES

A new challenge from Ireland

BY RHYS DAVID, TEXTILES CORRESPONDENT

A STRONG challenge to the leading European textile groups is now emerging from Ireland with the build up in recent months by Klopman International to volume production at a newly-completed 900m. weaving and dyeing and finishing complex in the west of the country.

The arrival of Klopman on the scene is significant, too, in that it could present European manufacturers with many of the problems which the domestic producers have faced in competing against the big U.S. giants over recent years as they have built up their European operations.

into the EEC, Irish Government inducements, labour availability and water. For its dyestuffs operation Klopman extracts 2m. gallons a day, direct from the Shannon, returning it in even purer form than it came out so as not to disturb the river's salmon.

S. African arrests

South African police said yesterday they have arrested three armed guerrillas and seized ammunition they were carrying, Reuter reports from Pretoria.

Indian welcome

The Janata Government will welcome foreign capital and technology only in areas which it considers vital for further progress of the country, K. E. Sharma writes from New Delhi.

Chinese purge

The purge of radicals in China has led to the downfall of another provincial party chief—the twelfth to lose his job since October, Reuter reports from Peking.

Iranian prisoners

The International Red Cross has submitted unspecified recommendations to Iran after visiting during ten days about 2,087 prisoners, an official statement said here yesterday.

Chinese purge

The purge of radicals in China has led to the downfall of another provincial party chief—the twelfth to lose his job since October, Reuter reports from Peking.

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Get right to the heart of Africa

Advertisement for Air Malawi, featuring a map of Africa and text: "From both Gatwick and Amsterdam, Air Malawi's VC10's fly passengers and freight right to the heart of Africa. Malawi. Touch down in Blantyre. Malawi's largest commercial city. Take our internal flights to anywhere in the country. Or connect to East, Central and South Africa—plus the Indian Ocean Islands. air malawi Fly to the heart of Africa. See your travel agent or phone 01-370-5411."

HOME NEWS

SHELL PLAN FOR GAS PROCESSING AND PETROCHEMICAL COMPLEX £435m. Fife project probe is a 'charade' Environment or industry dilemma

BY KEVIN DONE, CHEMICALS CORRESPONDENT

THE PUBLIC inquiry into plans to build a £435m. gas processing and petrochemical complex in the Fife town of Duntarville will over the next five to six weeks focus close attention on the Government's ambitious plans for establishing a major petrochemical industry in Scotland in the 1980s on the strength of oil and gas supplies from the North Sea.

In cross-examination of Mr. Bell, objectors were concerned to explore the possibility of alternative sites for the complex, such as Cromarty Firth. Suggestions were made that Shell was anxious to press ahead with the project chiefly because it faced financial penalties in the contract it had entered into with the British Gas Corporation for the supply of natural gas from the Brent field.

There was too great a risk of a sea carrier being unable both to quit the harbour and to remain safely berthed. The public inquiry was abandoned and the search was intensified for an alternative site.

for the local population will be the major issues the public inquiry will cover, along with protracted discussion, no doubt, of alternative sites to which the whole complex could be moved. The objectors' fund-raising activities reached a climax a week ago with a historical pageant gathered on the beaches of Braefoot Bay.

IBA ignores Annan in new channel bid

THE INDEPENDENT Broadcasting Authority has ignored the committee recommendations that a fourth television channel be located to a new authority and a second channel for ITV.

Control over money supply 'still vital'

THE GOVERNMENT has little hope for a summer Budget and will be forced to retain firm cash limits on its spending, says Dr. David Lomax, economic adviser to the National Westminster Bank.

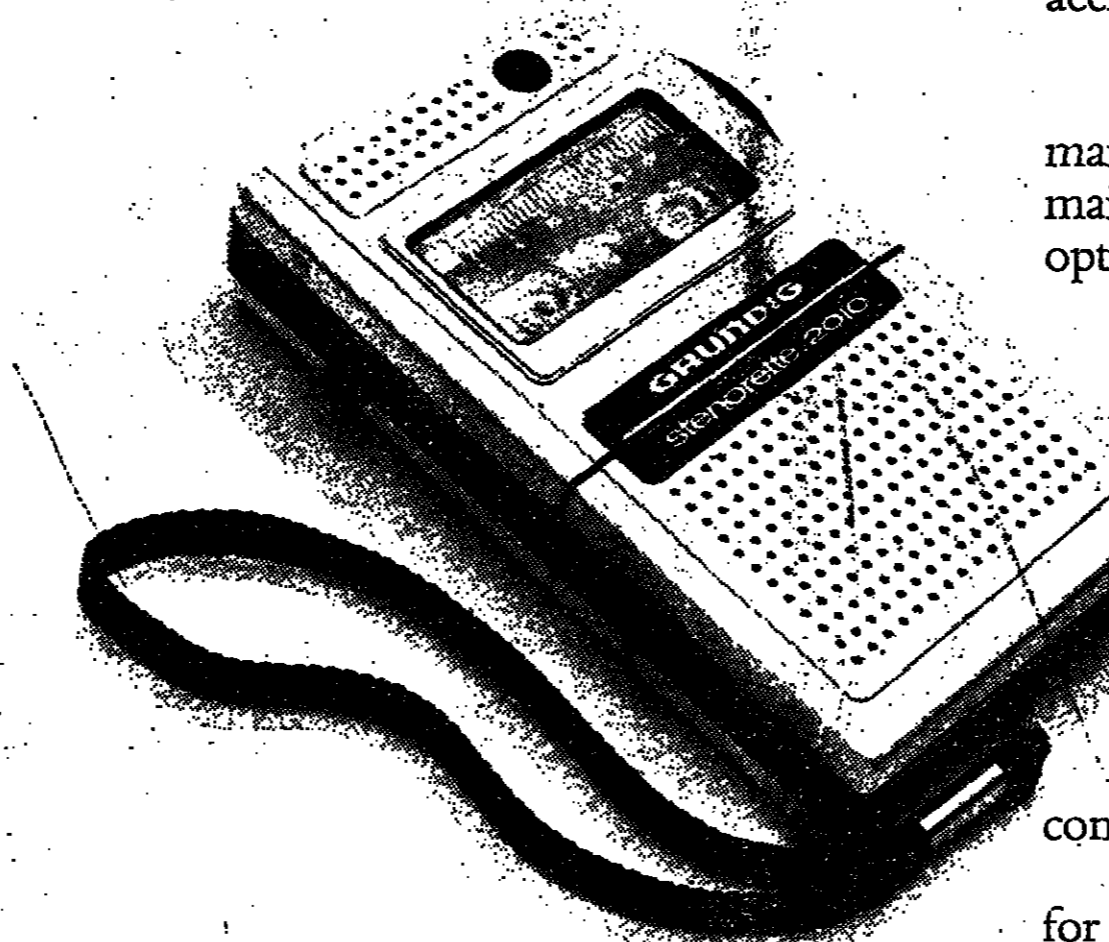
Call to Government to ban shipyard aid

GOVERNMENTS are to be redrafted to give more recognition to the fact that some Euro-pean governments are taking steps to reduce their shipbuilding capacity.

Call for new offshore company to boost jobs

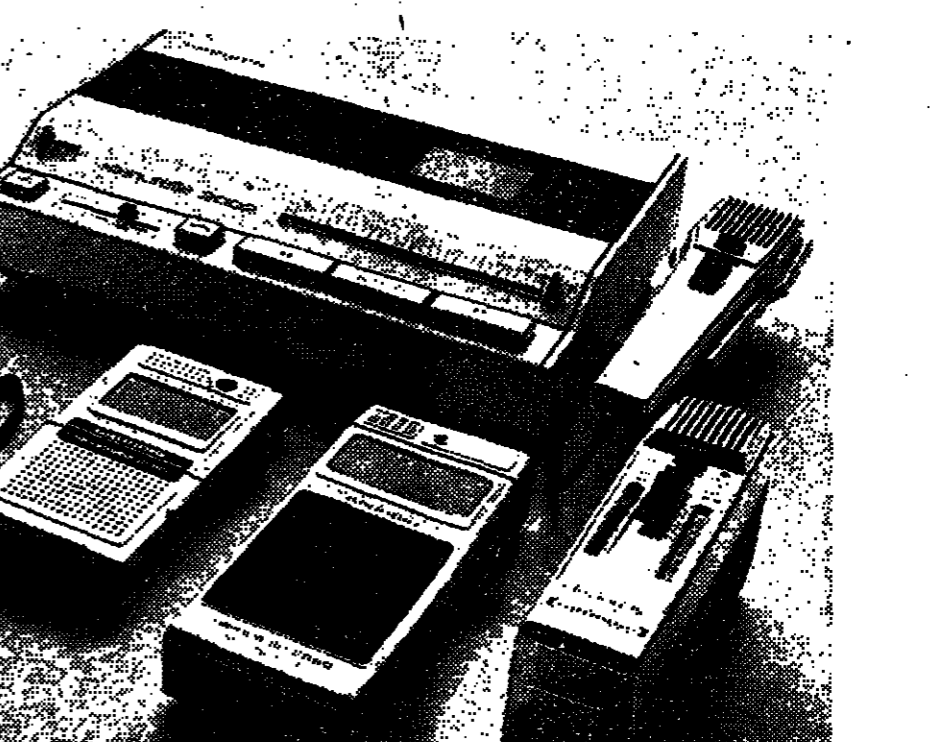
ESTABLISHMENT of a company to co-ordinate efforts to create a major offshore company for the North Sea contracting industry was suggested yesterday by a consortium of companies already involved in North Sea oil.

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HOME NEWS

TUC asbestos safety plan would cost jobs at Turner & Newall

BY DAVID FREUD, INDUSTRIAL STAFF

A TRADES UNION Congress recommended in the Advisory Committee's January interim statement due to the limitations of current technology. Asbestos products were indispensable to industrial society and would remain so for some years. In some areas substitution was possible, in others it was not at present. There was no alternative material for brakes or clutches which retained the technical properties required to avoid accidents or vehicle breakdowns. Mr. Max Madden, MP, chairman of Asbestos Action, agreed that it would be irresponsible to call for an end to the use of asbestos when some substitutes might be as dangerous, or even more so. However, Asbestos Action, a voluntary group formed 18 months ago, believed that there was an urgent need to reduce exposure in all applications. The safety level for occupational exposure to white asbestos dust should be reduced from 2 fibres/cc to 0.5 fibres/cc. The TUC's evidence was presented by Mr. Peter Jakes, secretary of the social insurance and industrial welfare committee. Short term recommendations included cutting dust safety levels to 0.5 fibres/cc, labelling, containment and asbestos workers registers. In the long term the TUC recommended the complete banning of all asbestos products.

Another ten diazo deals registered

BY A. H. HERMANN, LEGAL CORRESPONDENT

TEN MORE agreements concerning the £20m. a year reprographic supplies market were placed on the Register of Restrictive Practices yesterday. At the same time, it became clear that Mr. Gordon Borrie, director general of Fair Trading, was considering the possibility of taking the parties before the Restrictive Practices Court. The news adds to the repercussions of March's Monopolies Commission report on diazo copying materials which uncovered the existence of a price-fixing ring. The four companies involved in that—Ozalid, the market leader, two U.S. multinationals, Addressograph-Multigraph and GAF (Great Britain), and Harper and Tunstall—registered the 22 agreements, none of them still in force, to which they had been party within days of the report's publication. The same four were involved in the agreements publicly revealed yesterday, which were operated unlawfully and formally terminated on March 31, four weeks after the Monopolies Commission reported. The most important result of operating an agreement which should have been registered and not is that anyone who has suffered a loss through the restrictions—price fixing for example—can sue for breach of statutory duty. The ten restrictive agreements registered yesterday concern diazo machinery, copying materials, drawing office equipment, drafting film and reprographic chemicals. There is a time lag between the first and second lot of restrictive agreements because the commission's terms of reference covered only diazo materials and not other materials and machinery supplied by the companies whose operation, as the commission provisionally concluded, represented a complex monopoly. Only one more restrictive agreement between the members of Ozalid price ring is said to be still existing. The others concern sizes of reprographic material but it is claimed that these sizes are no longer manufactured and the agreement is of no practical significance.

Contempt

Should the Director General of Fair Trading decide to take the companies to the Restrictive Practices Court, it would be to seek an order restraining them from operating the agreements which they have already given up, and any other unregistered agreements which are subject to registration. Contravening such an order, or failing to observe an undertaking given in court, would be considered contempt of court and expose the parties to fines and imprisonment. Ozalid which has recently passed into the control of the

Accounts rebels would support subsidiary plan

BY MICHAEL LAFFERTY, CITY STAFF

THE TWO young Sussex accountants who are leading the revolt against compulsory current cost accounting (CCA) said yesterday that they would support a requirement for companies to issue supplementary CCA figures, if general agreement could be reached on an acceptable system. But they said the effect of implementing CCA as the main company accounts would be to institutionalise inflation and probably by definition, perpetuate it. The two accountants, Mr. Martin Haslem and Mr. David Keener—the only partners in a recently formed Burgess Hill accounting firm—have called a special meeting of the English Institute of Chartered Accountants on July 8 to demand that CCA should not be made mandatory until the end of 1980. A majority of the 21,000 voters cast so far supports their case. The special meeting comes only a month after the end of the highly controversial CCA proposals prepared by the Inflation Accounting Steering Group. It is certain to have a significant impact on the profession's plans to implement any form of inflation accounting. The future of the Inflation proposals is likely to dominate proceedings at tomorrow's meeting of the Accounting Standards Committee, the ultimate rule-making body on company accounting matters. Leading members of the committee said yesterday it would have to make a choice between formal withdrawal of the Morris draft or a decision to re-basis the cost and less complex proposals. The standards committee will also have to consider whether whatever CCA system is eventually agreed should be supplementary to existing historic accounts, and whether there should be any degree of compulsion about applying the system. The two Sussex "rebels" said that historic cost accounts have stood the test of time in spite of their imperfections, were understood by all and were based on positive undeniable facts. "Inflation is the direct result of Government and because of inflation we are being forced to change a concept of accounting, which previously has accurately reflected events, into a possible system which already has produced a deluge of comment, criticism and ridicule." It was up to the Government, through its control over the money supply and public spending, to control inflation.

Norwich Union in £24m. shopping area plan

BY QUENTIN GURDHAM

NORWICH UNION Insurance to provide £24m. funds to cover shopping centre at Peterborough. The decision to go ahead with the development comes a time when doubts have been expressed about the future of such centre schemes. Lease and lease back terms have been agreed with developers. Peterborough Development Corporation though final details will not be settled before a contract is signed in the autumn. The building contract is by John Linn and the centre is projected to open by 1981. The Queensgate Centre covers ten acres in the centre. It will include 12 stores, including a John Lewis Partnership store with an area of more than 100,000 square feet, a supermarket and 50 shops. This will be the largest expansion programme for an existing centre since the opening of the centre in 1970. The centre was built for £10,000,000 in 1969. Mr. John Darby, Norwich Union's chief estates manager, said that "the strength of the interest is based on industry expansion in Peterborough. Its growth shows that it is a place where people really want to open factories."

Scrap 'not worth collecting'

By Kenneth Gooding, Industrial Correspondent

THE British Scrap Federation last night warned the British Steel Corporation and other users that the price of ferrous scrap had fallen to levels which make collecting and processing unprofitable. The warning came after the price of scrap for steel making fell by up to £5 a tonne. Processors are finding it difficult to sell at even the new price because of the malaise in the British and European steel industry. Stocks of ferrous scrap in the United Kingdom—both at the processors and the consumers—are the highest ever, some 3.5 million tonnes. In the past three months deliveries have dropped by 10 per cent. on the previous quarter.

Reprieve for five teaching colleges

TEACHER training courses in five English colleges have been reprieved under modifications of Government plans for cuts in teacher training. The cuts were drawn up in January and announced yesterday by Mr. Shirley Williams, Secretary of Education. But teacher training will end at a further 20 institutions by 1981, bringing the total figure for teacher training places down to 46,000. The five colleges whose courses are reprieved are North Riding College, Scarborough; Padgate College, Lanes; Portsmouth Polytechnic; Polytechnic, Exmouth; and St. Mary's College, Newcastle upon Tyne. Mrs. Williams emphasised that a continuing decline in the rate provided the rationale for the cuts.

Wates director sues over £385,000 Surrey dream house

Mr. Paul Wates fell in love with a country house in Surrey, a High Court judge heard yesterday. He was so enthusiastic about the house, which he believed was designed by the famous architect, Sir Edwin Lutyens, that he "said through the nose for it," his counsel told Mr. Justice MacKenna. But Mr. Wates, a director of the well-known building company of that name, had been misled over the origins of the 1920s-built Bellasis House at Dorking, claimed Mr. Peter Millett, QC. After paying £385,000 for it in 1973, he discovered it was not, as represented, the work of Lutyens, who has been hailed as the greatest British architect since Wren, but that of a lesser-known architect, Philip Tilden. Now Mr. Wates is suing the vendors, Mrs. Vida Schreiber and Mr. George Frederick Beaumont Grant, executors of the late Mr. Derek Schreiber, and London estate agents, Strutt and Partners. He claims he was misled over the property, and paid more than he should have for it. Misrepresentation is denied. Mr. Millett said that Mr. Wates originally offered £380,000 for the house, which was to be auctioned. Later he made his successful £385,000 offer and the estate was withdrawn from auction. Mr. Wates only found out that the house was not Lutyens' work when he was given the house plans, which had Philip Tilden's name at the bottom. "Counsel said a Mr. Charles Hyslop had written to the agents after he saw an advert describing the house as Lutyens' work. He had been an assistant to Mr. Tilden and said the house was Tilden's work." Mr. Roy Beidam, QC, for Strutt and Partners, said that his client admitted the original design of the house was by Tilden. The hearing continues today.

Brick production rises to 453m. during May

FINANCIAL TIMES REPORTER

BRICK PRODUCTION and deliveries rose last month, according to provisional figures from the Environment Department. Total output was 453m. bricks, compared with 403m. in April and 447m. the previous year. Deliveries rose to 460m. from the April figure of 352m. but was down on the 481m. total in May last year. Stocks stood at 824m. last month (831m. in April and 494m. in May last year). Over the three months March to May, there was a fall of 1 per cent., seasonally adjusted, in brick production compared with

the previous three months, and one of 8 per cent. on the corresponding period a year earlier. Deliveries were 10 per cent. higher than in the previous three months, but 17 per cent. lower than a year earlier. Cement deliveries and production also rose during the month. Deliveries were 2,670,000 tonnes (2,677,000 tonnes in April and 3,120,000 tonnes (2,960,000) respectively. Both totals were heavily down on last year, however, when 355,000 tonnes were delivered and 355,000 tonnes produced each week.

Put coal in perspective—Ezra

BRITAIN must realise the size of the energy problem and "get the environmental problem into perspective" over the next few years, deep mining, Sir Derek Ezra, chairman of the National Coal Board, said yesterday. Sir Derek told the annual convention of the National Coal Association in Washington that President Jimmy Carter's plan to expand U.S. coal output 60 per cent. had boosted the British coal industry's case for expansion. The plan was to increase deep-mined production to 180m. tons and year and open cast mining to 20m. tons in Britain between 1985 and the end of the century. The U.S. energy gap, as seen from Europe, had caused concern. Energy excess seemed to have become part of the American way of life, with the main consideration being to see how fast the limited reserves of fossil fuels could be used up. But President Carter had given a "new urgency" to the problem. Energy production and the effect on the environment had caused conflict in the U.S. and Britain faced parallel problems if the Coal Board was to increase strip mining 50 per cent. by 1981. "While there is no doubt the country needs the coal, the actions we are taking to achieve it have run into some environmental opposition. The process of gaining permission for open-cast or deep mining has been lengthening. "The National Coal Board fully accept the need for public examination of major proposals. Environmental considerations are important, particularly in a

country as closely populated as Britain. But there is the risk that deliberations and inquiries can be extended for too long," he said. "All this delay inevitably costs money which could perhaps be better spent taking practical measures to reconcile industrial and environmental requirements. "What we must hope is that our countries will realise the magnitude of the energy problem and get the environmental problem into perspective," he said. At the same time, industry must help this process by voluntarily practising a high standard of environmental work to minimise the impact on communities during mining operations and in subsequent reclamation."

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*Justifica*



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They had been, to put it mildly, 'modified'.

We believe that any car that's as well engineered as the ordinary road-going Sprint should be able to cope with rally conditions without being modified out of all recognition.

True, we did fit a roll-cage and a fire extinguisher, but we had to do that because the safety regulations required it. We tuned and balanced the engine to get the maximum power out of it, we tightened up the suspension

1976 Dolomite Sprint results.		
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Group One	OUTRIGHT CLASS WINNER	Granite City Rally
Group One	OUTRIGHT CLASS WINNER	Burmah Rally
Group One	OUTRIGHT CLASS WINNER	Manx International Rally
Group One	OUTRIGHT CLASS WINNER	Lindisfarne Rally

to cope with the rougher rally conditions, we put spotlights on the front to shed a little extra light on the gloomy forest roads, and we stuck on a racing exhaust. That's the kind of thing we were allowed to do.

But in the end, the car was much closer to a standard road version than highly modified outright winners.

And as you can see from the results table, it came first in its category in no less than five major rallies last year.

Which gives us a great deal of private satisfaction.

After all, if we wanted to come first, we could probably lay our hands on a pair of V12 Jaguar engines to put under the bonnet.

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# FINANCIAL TIMES SURVEY

Tuesday, June 28, 1977

## Beer Wines and Spirits

Despite Britain's relatively low rating in the world drinking table, we manage to provide the Exchequer by way of excise duties and VAT with around £2bn. a year of revenue — enough to take care of a very substantial proportion of social welfare costs.

IN SPITE of the best efforts of a small minority, the British are not the world's greatest consumers of alcohol. Even so, wine and spirits are big business in the U.K. Last year an "average" adult spent £148 on an alcoholic drink, according to recent Treasury estimates. This added up to £5,980m. for a nation as a whole and represented between 7 and 8 per cent of total consumers' expenditure in 1976.

Thanks to Customs and Excise statistics, we do know that a "same" "average" adult drank 265 pints of beer, 8½ bottles of spirits and nearly ten bottles of wine last year. Duties set up at the end of 1976 and are now paying 7½p in duty every pint of beer, £2.90 on a bottle of Scotch, 55p on table wine and 62½p on sherry and port. On top of that there is VAT.

The Treasury collected about £2bn. in duty last year and other £400m. in VAT — which is why so many publicans describe themselves as "unpaid collectors."

In Britain the brewing groups dominate much of the alcoholic drinks business. Their interests cover not only brewing but also big retailing operations (they own most of the pubs) and account for much of the wine sold in Britain. In recent months, too, some of them have been showing a renewed interest in building up their ownership of Scotch whisky businesses — although they rarely had the agencies for sale of the best-known brands in their portfolios.

As an industry, it behaves cheerfully to the world at large. But hardly a month goes by without some new problem cropping up for the industry to tackle. Many of them are difficult to predict because the industry is very prone to political intervention, more so than most other parts of manufacturing industry.

The price of a pint of beer, in particular, is extremely sensitive politically. That is why it is not surprising that Mr. Roy Hattersley, the Prices Secretary, should have asked the Price Commission to inquire into beer prices. In doing so he declared this did not imply that the brewers had been overcharging. But said Mr. Hattersley, there was "widespread concern" about the way beer prices had been going up at a fast and furious rate.

The investigation was subsequently widened to include all pub prices — not just the price of beer — and the Commission has been asked to report by the end of July.

### Committees

The price reference was not the only political problem the industry has had to deal with recently. Beer was also investigated by the Food Standards Committee. Drink and driving was the topic looked at by the Blennerhasset committee. Lord Errol's committee inquired into the licensing system. All their reports are still on the Government's "active" shelf for future action.

However, it is the problem in increased sales the group in turn could affect levels of prices which worries the brewers particularly at the moment. After all, they own 55,000 of the U.K.'s 73,580 pubs. (They are not so strong in the take-home trade though, particularly since the supermarkets have been building up the numbers of their licensed stores and their share of the total extra beer.)

The brewers agree with Mr. Hattersley about the sensitivity of prices which worries the group in turn could affect levels of prices which worries the brewers particularly at the moment.

Another subject which could raise problems for the industry as a whole is the attention now being focused on alcohol abuse. The Government has promised it will in the next few months announce plans to combat the growing problems of alcoholism. Mr. David Ennals, Secretary for Social Services, said earlier this month that alcoholism now affected more than 500,000 people in Britain from all walks of life and all age groups. "One of the most serious aspects is the number of teenagers drinking to excess. The Government's campaigns are to be directed against smoking, drugs and drinking — three forms of addiction."

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The brewers feel that more education about alcohol is one answer to this problem. So the Brewers Society has already presented every secondary school in the country with a teaching aid which describes the dangers of alcohol. The Society is also about to introduce its "yellow card" identification scheme aimed at curbing under-age drinking in pubs.

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lift the price of wines and spirits which, because of the competitive state of trade, have not been rising as fast as the general rate of inflation. To raise those prices which have not kept pace with the general rate of inflation to match the average level of inflation simply moves the average level up again.

Mr. George Bull, who retired last month as chairman of the Wine and Spirit Association, believes that there has been an important change in the Government's attitude to the wine and spirit business. "We have reached the stage where the trade and Government departments have a much better understanding. We as traders have to accept that the Government calls the tune and sets the rules and that we will be taxed."

But now the Government will listen when the trade makes reasonable points about the need for growth to encourage investment which in turn should produce employment.

In its recent talks with the Treasury, the association has emphasised that there was a 5 per cent fall in employment in the wine and spirit industry last year because of the loss of volume after heavy duty rises. Yet the Exchequer would have gained just as much in revenue by allowing wine and spirit volume sales to grow, it claimed.

build confidence for the future in the trade," insists Mr. Bull. "There is a common identity of purpose between the trade and the Treasury in this respect." Having made this point about duties, the wine and spirit traders will now concentrate their efforts on persuading the Government to grant a six-week period of credit for payment of wine and spirit duties.

Forced The tradé reckons it is making an interest-free forced loan of £140m. to the Government because it has to pay duty when the wine and spirit products are taken from bond and then wait up to six weeks for customers to pay it back. This costs £15m. a year in interest charges.

Mr. Bull is optimistic about demand for wine and spirits which he feels will revive considerably in the autumn. Next year and 1979 will then show considerable growth in volume, though the trade needs a 6 per cent increase to claw its way back to the peak trading levels of 1973 and 1974.

As for beer, well the NEDO working party estimated that the U.K. market is unlikely to grow by more than 5 per cent. between 1976 and 1979, climbing to 42.7m. bulk barrels a year (123bn. pints) by 1979. And as this summer has so far by no means matched last year's for fine weather, beer sales could be well down in 1977, a year which still promises to be an eventful one for all in the Treasury's duty take and will drinks industries.

## Big consumer trade

By Kenneth Gooding

of the price of beer. Ironically, demand for beer is pretty resistant to price increases. But customers moan a lot when increases are made and have been moaning considerably of late.

In current market conditions it does not seem possible, however, for the brewers to ever raise prices by keeping prices stable. Whitbread, fourth largest of the groups and the one which finds itself at the head of the queue asking customers for more, pointed out recently that its profits would fall by £10m. if it attempted to absorb a 1p a pint increase on when that increase became necessary. To recover the £10m. prices policy, it declared: "This

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# "Poised to respond to the challenge of the lager market"



HARP LAGER



Kronenbourg

### HARP LAGER LIMITED

The Chairman, Mr. Edward Guinness recently reported:-

1976 exceeded all expectations and our sales on a Group basis passed the two billion barrel mark for the very first time, a significant landmark when one considers that it was only five years ago that sales exceeded one million barrels. Harp Lager is now the eighth largest brewer in Britain.

Clearly with such a healthy demand which we now have for Harp and Kronenbourg it is crucial that our production centres are capable of meeting demand in the future. Further expansions are taking place at our four breweries involving an investment of £13m. in the course of the next 2 years.

We are, of course, looking well beyond this and discussions have been taking place with the Harp Partners on proposals for achieving the necessary capacity to meet the estimated demands for our brands up to the mid 1980's. The Harp Group has much to look forward



Mr. Edward Guinness

to in 1977 and beyond. The success of the launch of Kronenbourg — introduced in 1976 — together with the outstanding levels of sales of the Harp brands gives the Group an ideal platform for the future.

I feel confident that the progress I have described demonstrates that while we have been expanding very rapidly in line with the lager market, we have at the same time, been constantly consolidating our position. How far and how rapidly the lager market will rise is a difficult speculation at this present time as so many factors — economic, political, climatic and so on, are involved. All one can say is that given

reasonably normal conditions the public taste for lager will continue to grow and we in the Harp Group with the enthusiastic co-operation of our Partners are poised to respond to the challenge of the lager market in 1977 and beyond."

#### FACT:

Harp Partners are: Courage — 32%, Greene King — 2%, Guinness — 32%, Scottish & Newcastle Breweries — 32% and Wolverhampton & Dudley Breweries — 2%.

#### FACT:

Harp brews and sells more than 22% of all lager in the United Kingdom and the Republic of Ireland.

#### FACT:

Harp is now Britain's 8th largest brewer and sales have more than doubled to well over 2 million barrels in the past five years.

#### FACT:

Harp brands include — Harp, Harp Special, Kronenbourg, Lancer and Satzenbrau.

#### FACT:

Kronenbourg is the Premium lager brand leader in the United Kingdom.

### HARP LAGER AND SUBSIDIARY COMPANIES

Consolidated accounts for the year to September, 1976

	1976 £ millions	1975 £ millions	1974 £ millions
TURNOVER	66.9	46.3	31.7
TRADING PROFIT	12.4	10.1	7.4
From which are deducted:			
Consortium Rebate	5.2	4.1	2.9
Interest	1.6	1.7	1.5
To give:			
PROFIT BEFORE TAXATION	5.6	4.3	3.0
TAXATION	2.2	1.9	1.3
PROFIT ATTRIBUTABLE TO MEMBERS	3.4	2.4	1.7
ASSETS EMPLOYED	23.4	20.0	16.8



BEER WINES AND SPIRITS III

# New standards still under discussion

IT IS likely to be at least another two months, and possibly considerably longer, before anything much is heard of the Food Standards Committee report on beer, published under the aegis of the Ministry of Agriculture in March.

The report was the result of a three-year study, carried out alongside a separate investigation of the additives and processing aids used in beer production. It took place at a time when criticism of the major brewers and calls for information to be easily available at the point of sale about the strength and method of dispensing of beer was becoming ever more loudly heard as a result of the activities of consumer-oriented pressure groups, and especially the Campaign for Real Ale.

Perhaps inevitably, its recommendations were greeted by some, including the Financial Times, as a beer drinkers' charter. The Brewers' Society has hailed it as containing one of the best descriptions of modern brewing ever published. CAMRA described it as a step forward, even though both bodies have reservations about several of the recommendations — from different points of view, needless to say.

What the report called for, first, was for all beer, whether bulk dispensed or pre-packed, to be labelled beer, ale, stout or lager, with its original gravity (one means of indicating strength) denoted by means of "X" symbols showing to which of five gravity bands it fell. In pubs, the committee said, the method of conditioning — in bulk or in cask, a point of considerable importance to the "real ale" connoisseur — should be displayed along with the method of dispensing — drawn or under pressure.

The descriptions of malt beer or malt beer should be limited to beers containing, respectively, at least 70 per cent and at least 95 per cent of malted barley, while terms such as light, special, heavy, export, strong and extra strong should be restricted to beers, in unadorned original gravity bands. Beers based predominately on cereals other than barley could be described as such, so at least, as wheat, or rye, or barley, or malted wheat or malted rye. Where bulk beer contained more than 1.5 volumes of carbon dioxide that should be declared either at the point of dispensing or nearly (or, in

restaurants, on the menu). Also shown should be the proportion of malted barley used.

Prepacked beer should carry a list of ingredients on the bottle or can, along with the appropriate X symbol, the proportion of malted barley used, the fact, if appropriate, that carbon dioxide exceeded 1.5 volumes (but only on containers of more than 1 litre), the name and address of the packer or labeller, the quantity by capacity measurement and the country of origin if not the U.K.

### Controversy

Of all the recommendations, the one on strength labelling is probably causing most controversy. For a start, there are those who argue that by marking the strength of each beer, in whatever form, you encourage people, especially the younger people, to turn to the more alcoholic beers, with consequent drunkenness problems. And there is some evidence from Sweden and the Netherlands, to support this view. At the same time, however, there can be few people who, unless they are very casual drinkers, do not know the relative strengths of the beers turned out by at least those breweries whose products they are most familiar with.

More specifically, the actual means the committee has suggested of denoting strength could cause problems for those brewers who already use X symbols — but not on the lines the committee has recommended — to distinguish their various products. Wadsworths of Devizes, Wiltshire, for example, produces a 6X bitter which under the proposals would qualify for only three Xs. Brakespear's Henley beers, similarly, would have to change their 3X and 4X marks to a single X and three Xs respectively. Then, among others, there is Guinness with its Triple X stout and, more questionably, Bass Charrington with its Bux XL.

The Brewers Society has made strong representations to the Ministry of Agriculture on this point, stressing the fact that the massive investment in these brand names, by the companies concerned would be lost. It is also concerned that people might walk into a strange pub and ask, say, for a 2X experting it, wrongly to be twice as

strong as beer marked with a single X. The possible result, the brewers fear, is that beer would become like petrol (not in taste, despite the loud CAMRA complaints about some products), sold as it were by octane band rating rather than by brand, with the traditional pleasures of beer drinking vanishing.

Pricing, the brewers believe, could also be a problem, since customers might assume that the higher the X rating the higher the price should be — and vice-versa. And yet there might be good reason why a weak lager was dearer than a strong traditional bitter. There is concern, too, about the actual bands suggested by the committee, which would have the effect of putting beers with considerable strength differences into the same categories. It might be better to follow the Continental system of denoting the strongest beers with an S and then using a 1, 2, 3, 4 mark for the other brands in descending order. A notice on the pub wall could show the gravity covered by each band. EEC tax harmonisation plans, probably to be based on banding, could also be important here.

### Difficult

On carbon dioxide content, the brewers point out that there is no practical way of testing the carbonation at the point of sale, making enforcement of any legislation difficult. In addition, the level of carbon dioxide can vary from one barrel to another as a result of factors which the brewers have no control over. Thus, with traditional cask conditioned beer, the secondary fermentation can bring the level up considerably, while with beers served under pressure, a pressure tap left on overnight in the pub can bring the quantity way beyond the brewer's target. Even jolting in the dray between the brewery and the pub could have an effect.

The brewers' answer is a simple notice saying whether the beer is carbonated or not, along with, if necessary, a statement that the amount of carbon dioxide may exceed the chosen level.

That, they say, would also meet any public concern about the way the beer is dispensed, especially as some methods of dispensing — air systems, for

example — would have to be described as pressurised under the committee's definitions even though they add nothing to the beer's gas content.

On alternative terms to beer — bitter, barley wine, etc. — the brewers are in rough agreement with the committee but feel the number of acceptable names should be expanded to include, for example, pilsner and malt liquor. They also point out that, as the report stands, terms like ginger beer or root beer could become banned.

The restriction on the use of terms like special or extra is seen as unnecessary, given the proposed strength bands, especially as the product for which Arthur Guinness is famous has long been called extra stout, a title it would no longer be able to bear.

Malt content is another area where the brewers are concerned: they feel that descriptions malt beer or all-malt beer should, for a variety of reasons, be allowed where the proportion of malt is slightly less than argued by the committee. And they see the call for the description "beer" always to be accompanied by a note of the amount of malt used in it as unprecedented in food labelling and as possibly leading the public to believe that the more malt used the better the beer — something the brewers say, which is just not true. At one extreme, that could threaten the vast variety of beers available in Britain, in contrast to most of the rest of the world. In any event, it could cause problems over changes in the malt content of different batches of the same product as the result of crop variations.

More generally, the brewers are concerned at the cost of the proposals. To display the information called for on the dispensing cowl on the bar would mean replacing existing cowls. Each costs on average £8. And there are 73,000 pubs and another 30,000 licensed clubs, each with up to 10 cowls. Thus, says the Brewers Society, there should be a long period of change, with the retailer meanwhile able to give the information near the point of dispensing rather than at it.

The Campaign for Real Ale, which must rank as one of the most successful consumer pressure groups ever, is also unhappy with the proposed X system for denoting original

gravity. Unlike the brewers, it feels that the idea of bands should be abandoned altogether. The bands are, it says, too vague and wide, placing 82 per cent of all beers in the 1X and 2X categories. Its proposed answer is for the original gravity itself to be shown in pubs on the dispensing point.

Nor is CAMRA happy with the proposed description of unpressurised beer as draught beer, rather than draught beer, a term which under the recommendations, much to the welcome of the brewers, would apply to all bulk beers. Draught, argues CAMRA, is a term much better understood by beer drinkers, and it should not apply to beers under blanket pressure.

CAMRA also disputes the committee suggestion that pasteurisation has little effect on a beer's taste; it makes a fundamental difference, the campaign argues. It claims, too, that the report's attitude to the contents of beer is far too lax: the absolute minimum barley content should be 70 per cent, it says.

But overall just like the brewers (who breathed a sigh of relief that the committee made no recommendations that would lay down precise requirements for the composition of a pint), CAMRA has welcomed the report. And to have received applause from both the brewers and the Campaign, the committee must have been very much on the right lines in what it set out to do.

The danger is that its deliberations could, nonetheless, turn out to be academic. The date for representations on the report has passed, and these are now being considered by the Committee before it makes its final recommendations to the Agriculture Minister, who should in theory shortly after be able to announce his final plans.

But meanwhile the Common Market Commission, having to the relief of many, dropped its ill-conceived notions of harmonisation which would have produced a standard Euro-beer, is working on its own proposals for food labelling. Beers, or some beers at least, may well be included in those, imposing severe limits of the freedom of action of individual governments.

David Walker

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## TABLE WINES

# Still a growth market

REPRESENTATIVES FROM 22 wine producing countries sat round a lunch table in the City of London last month while some British wine traders stored them in a genial shlosh about the exciting prospects for table wine sales in the U.K. which are currently worth more than £350m. a year.

Peter Noble, chairman of the Wine Development Board, predicted for example that wine sales in 1977 would rise by about 5 per cent from last year's level. He pointed out, however, that this would be a huge increase. Because of a trading-down to lower priced products which is prevalent today, the sales increase would have little impact on the profitability of wine companies.

Mr. Noble also reminded us that the Board was almost one in predicting an increase in U.K. wine consumption for 78. Because the Chancellor is presently ready to add extra duty at every opportunity and because the amount of spare cash in customers' pockets was shrinking every month under the impact of the pay policy of inflation, the majority of wine traders were expecting a decline.

As it turned out, the increase in clearances of wine from bond last year was either 4 per cent or 8 per cent, depending on which way the Customs and

Excise statistics are interpreted. Taking them at face value the rise was 8 per cent, but even the lower figure meant that 18m. more bottles of wine were taken out of bond in 1976 than in the previous year.

Just what that meant as far as sales are concerned it is difficult to judge in that there was considerable stocking up in front of last December's mini-Budget as traders guessed (rightly as it turned out) that there would be duty increases.

But it does seem that the British are now downing a nominal ten bottles of wine per head a year. And according to Mr. Noble, "The first hurdle of establishing wine as part of the British way of life has been overcome. Consumption doubled in the early 1970s and has so far survived the most drastic inflation of duties in recent years."

He and his colleagues are sticking by their estimates that wine consumption could double again by 1985 which makes Britain a major growth market as far as the wine-producing countries are concerned.

Of course it has to be borne in mind that only Ireland among the Common Market countries consumes less wine than the U.K. In Europe perhaps the fairest comparison is with Belgium, which has no large wine-production of its own, draws its supplies from many other coun-

tries, and has a consumption rate of 21 bottles a head.

Then wine drinking in the U.K. is not spread evenly. Sales are mainly confined to the South East of England and some other pockets of urban affluence. Growth seems to have come mainly from the established wine drinker drinking more wine, rather than more people drinking wine. Surveys show that half the U.K. adult population would claim never to have sampled table wine in their lives.

### Gospel

With this in mind the Wine Development Board, which is sponsored by 12 of the wine-producing countries as well as U.K. shippers and retailers, has been spreading the gospel in the regions by among other things, holding tastings in working men's clubs.

One important point which was spotlighted again at the Board's lunch for the wine producers was that the U.K. can provide a ready market for wines from the world over. As we have limited table wine production of our own there are no local-producer pressures to stop foreign imports as there are in France and Italy.

The U.K. does, however, have its preferences. French wines are dearest to British hearts. Total table wine clearances from bond last year rose by 1.3m.

gallons to \$3.7m. gallons. Of this, 14m. gallons came from France, an 18 per cent increase on 1976 and saw that country push up its share of the table wine market by 1 per cent to 38.5 per cent, after a period when it had been losing ground.

Spain remained our second-largest supplier. But for how long? The Italian wine producers have put their house in order and have made a tremendous impact on the U.K. market over the past few years.

In 1976 clearances of Italian table wine reached 6.25m. gallons, a 24 per cent jump on 1975, and only 200,000 gallons below Spanish wine clearances which improved only fractionally. In just six years Italy has moved up from a 4 per cent market share to account for 17 per cent.

German wines also did well in 1976, showing a 25 per cent rise on the previous 12 months, topping the 5m. gallon mark for the first time and improving market share by 1 per cent to 14.3 per cent.

The Wine Development Board is supported financially by Austria, Australia, Cyprus, France, West Germany, Hungary, Italy, Portugal, Spain, South Africa and Yugoslavia. The ten potential subscribers are Argentina, Brazil, Bulgaria, Chile, Israel, Malta, Romania, Tunisia, Turkey and the U.S.A.) K.G.

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BEER WINES AND SPIRITS V

SHERRY/VERMOUTH

Room for expansion

CONTINUED buoyancy in the sherry market is reflected in the mood of the major companies...

created by a more conservative 13-15 per cent. It seems fairly safe to say that the low prices which have developed over the past two years will be short-lived...

lary. This, the producers tend to deny, as do vermouth producers and it does seem that the evidence points to the argument being a fallacy...

large consignments. Ricadonna spent its first year attacking the London and South-East market with expensive promotions but very limited success...

The sustained push in vermouth sales saw clearances at end-February 1977 go just over the 12m. gallons mark. Martini, of course, dominates the market, but while its sales are increasing along with the general trend...



What's brewing?

Inside this bottle a Guinness is slowly taking shape. It'll take 21 days for those natural hops, barley and malt to reach perfection...

PORT Holding its own

PORT trade is not what it was at the end of the year. But the trade still reckons that underlying demand was rising...

to lead the U.K. market in branded ports with a 30 per cent. market share. All three major shippers have estates in Portugal...

Dominance Eating away at the dominance of these two have been a variety of own labels and some brand names new to the U.K. Own brands, sold through supermarkets and major off-licence chains...

Ricadonna entered the market after the U.K. altered the way it charged duty so as to harmonise with the rest of its EEC partners. The result of this change was that the major brands could no longer save money by shipping large quantities of low strength wine...

Notwithstanding the differences between the two wines and the different pattern of drinking between them—vermouth is much more of a young person's drink than sherry, which has a big following among an older age group—there seems to be room for both at the moment to continue expansion. And, given the resilience shown to date, it seems unlikely that price rises as a result of inflationary pressures will have any major effect unless they are particularly severe.

TIO PEPE The Spanish name for SHERRY ICE COOL ON THE ROCKS

The port trade in this country splits down for the most part into three major company groupings. The two biggest are the independent, Geo. G. Sandeman, and Cockburn, Smithies which as part of the IDV group is owned by the Grand Metropolitan organisation...

By the second quarter of the 18th century the Douro district had become important enough to the Portuguese economy for Government demarcation. There have been modifications over the intervening years, but the officially demarcated area of the Douro as it stands to-day—extending from 60 miles up river from Oporto and consisting of roughly 1,250 square miles in all—still follows the far-sighted definition of Portugal's early rulers.

Production in the Douro is variable. In the most prolific areas, where quality tends to be average, yield can range between 500 and 650 gallons per 1,000 vines. But in the more rugged upper Douro, which is usually where the finest ports are produced, it can be as low as 150 gallons per 1,000 vines.

Lower interest rates and deferred tax (worth £97m. to the Distillers Company alone last year) have eased the burden of financing stocks, and there is a growing realisation that by-products previously thought of as waste can be significant sources of income, reducing the cost of a proof gallon of grain whisky by as much as 15p and of malt by 7p.

There are large cost increases still to be borne, of course. Malt, by far the largest factor in the cost of producing grain whisky, is 20 per cent. more expensive than it was a year ago, and malted barley—used for malt whiskies—is costing 35 per cent. more. But labour costs are being held to very small rises and fuel prices are not expected to leap in the way they did a few years ago.

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There is a lot of fun around a glass of Sherry

WHISKY Return of confidence

IS too soon for sighs of relief, but there are signs that the Scotch whisky industry at last is coming out of a slump that has gripped it for the past three years. Confidence—a commodity which has been lacking since the peak of 1974—is slowly coming back and is reflected in the figures for the production of whiskies. After an all-time low of 192m. proof gallons, sales saw a dramatic 16 per cent. rise in 1976, and it took an exceptional year, and it took an exceptional demand prompted by Christmas and the fear of a duty increase in the Chancellor's special IMF budget to turn the figure round to a respectable 14 per cent. increase for the year as a whole.

ture looks brighter. By volume last year's rise in sales was only 1.6 per cent. up on 1976, but the weakness of sterling and two export price increases brought the level of overseas earnings up by more than 19 per cent. to £436m. compared to £366m. in 1976. The all-important United States market, which accounts for more than a third of all sales of Scotch abroad, again showed a drop by volume of 5 per cent. (although in cash terms there was a rise of 16 per cent. despite the fact that the export price rises did not apply to the U.S.). But the Spanish market was up by some 31 per cent., reflecting the continuing development of tourism and a growth in the taste for whisky among Spaniards themselves and Italian sales recovered from a disastrous year in 1975 to show a 36 per cent. increase.

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BREWERY—NIGERIA International Trading Group, with a long established base in Nigeria, wishes to set up a new brewery in Nigeria and is seeking a partner for the project. Companies interested in offering their services for this project are requested to send information about their organisations and experience in similar projects in their different countries. Previous experience in Nigeria, not necessarily in breweries, will be helpful. Licensing proposals with or without know-how from well established brand leaders are also welcome. Please write to: Box No. A.5975, FINANCIAL TIMES, 10, LONDON STREET, EC4P 4BY.

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Ray Perman

PARLIAMENT and POLITICS

LABOUR NEWS

Fowler claims collapse of Labour's transport policy

BY JOHN HUNT, PARLIAMENTARY CORRESPONDENT

THE GOVERNMENT'S long awaited White Paper on transport policy fails to fulfil any of the pledges made in Labour's election manifesto...

Freedom

The Tory spokesman also wanted to know what had happened to the proposal in the original consultation document...

Five training colleges reprieved

MRS. SHIRLEY WILLIAMS, Education Secretary, told the Commons yesterday that she had withdrawn plans for ending teacher training at five institutions...

Scottish peagee claim supported

PEERS ACCEPTED yesterday a report from the Lords Committee of Privileges recommending revival of a Scottish peagee that had been dormant for more than 250 years...

Bankruptcy rules change

UNDISCHARGED bankrupts will be discharged on October 1, they were declared bankrupt more than five years before...

Japan steel imports protest

By Ivor Owen, Parliamentary Staff

THERE WERE more protests in the Commons yesterday about the growth in imports of special steels from Japan...

Increases

Mr. Bagler was also worried that the proposal to solve local fare increases at annual intervals...

Too much legislation, says Howe

By Rupert Cornwell, Lobby Staff A COMPREHENSIVE set of guidelines to help a future Tory Government make inroads into Britain's present unwieldy mass of law was put forward yesterday...

Written Answers

TREASURY Mr. David Knox (Lech). What was the cost of collecting value added tax in each of the past three years?

Japan steel imports protest

By Ivor Owen, Parliamentary Staff

THERE WERE more protests in the Commons yesterday about the growth in imports of special steels from Japan...

Bigger tourism surplus likely

TOURISM SHOULD earn even more for Britain this year, Mr. Edmund Dell, Trade Secretary, told the Commons yesterday...

Concern over U.S. insurance problems

DIFFICULTIES BEING experienced by some U.K. firms in obtaining product liability insurance for their exports to the U.S. are causing the Government concern...

Written Answers

TREASURY Mr. David Knox (Lech). What was the cost of collecting value added tax in each of the past three years?

Slim hope of mediation in Grunwick dispute

BY NICK GARNETT, LABOUR STAFF

THERE WAS a very slim hope last night of mediation in the Grunwick strike. But it seemed it would be so hamstrung as to have little hope of solving the dispute...



FORD strike pickets at Dagenham hand out leaflets to people entering the fact yesterday after 13,000 workers decided to resume working on the advice of their union...

Rolls will shut plant over 1 man

By David Churchill, Labour Staff

ROLLS-ROYCE last night announced that it was shutting its aero-engine component plant at Hillington, near Glasgow, tomorrow because of a week-long industrial action...

Ford men review stoppage to-day

BY ALAN FISHER, LABOUR STAFF

PROSPECTS of peace in the Ford dispute, which has cost the company £37m. worth of production, depend on a recalled meeting of men at the Dagenham assembly plant this morning...

Cut prison crowding pl

BY OUR LABOUR STAFF

SENIOR prison officers, including most governors, wrote to Mr. Merlyn Rees, the Home Secretary, yesterday, calling for urgent action to alleviate overcrowding in prisons...

Support sought for new towns

ABOUT 500 white-collar workers from the new towns yesterday lobbied their MPs at Westminster for a firm Government commitment to this sector's future...

Public Employees union chief champions the lower paid

BY PAULINE CLARK, LABOUR STAFF

MR. ALAN FISHER, general secretary of the National Union of Public Employees, pledged yesterday that he would champion the cause of the lower paid in any post-Phase 2 discussions...



# The Management Page

EDITED BY CHRISTOPHER LORENZ

The Grunwick row has eclipsed a wider union recognition war. By David Churchill.

## How IBM repulsed Clive Jenkins

AT FIRST sight there would appear to be little in common between IBM, one of the largest multinational corporations in the world, and the tiny North London film processing company of Grunwick Laboratories. The current scene of some of the most violent clashes between pickets and police in recent years.

But both have one major characteristic in common: they are fighting hard to avoid granting trade unions the right to negotiate collectively for their staffs. This attitude has brought them firmly into conflict with the recognition provisions of the 1976 Employment Protection Act which, through the auspices of the Advisory, Conciliation and Arbitration Service, can legally force companies to grant recognition. Both have been subject to just such formal recognition claims via ACAS from unions which are keen to establish a foothold.

But here the similarities end. Grunwick's refusal to co-operate with ACAS and abide by its recommendation that the union be recognised—based on an overwhelming vote by those staff who were able to answer the questionnaire—has led to angry fighting in the picket lines outside the company's factory over the past few weeks.

IBM's U.K. subsidiary reacted in an entirely different way to the union claims. It co-operated with the ACAS inquiry and subsequent ballot of 13,000 U.K. staff but at the same time mounted an intensive internal publicity campaign to persuade its staff of the advantages of maintaining the status quo.

The size of the majority in the ballot surprised even IBM, who were always confident of victory. Exactly 95 per cent of staff (on a 95 per cent turn-out) voted against allowing union recognition. A slightly lower

percentage (91.8 per cent) also appeared to be little in common with IBM, one of the largest multinational corporations in the world, and the tiny North London film processing company of Grunwick Laboratories. The current scene of some of the most violent clashes between pickets and police in recent years.

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But it is the reverse procedure—communications from the staff—that forms one of the main reasons why they voted so overwhelmingly against unionisation. One of the traditional roles of trade unions, apart from negotiating pay and conditions, is to give employees help in sorting out grievances. But IBM's grievance procedure offers far greater scope to staff now than could probably be achieved by any recognised union.

There are two basic grievance procedures—the "speak-up" and the "open-door" systems. "Speak-up" is the newer of the two systems, having been introduced into the U.K. in 1963. It involves a written form easily available near notice boards in all IBM's offices and factories, on which staff can raise a question or problem with anyone in the company, right up to the managing director. The employee's letter is passed on, to the manager specified by the employee, by a special co-ordinator who is the only one who knows the employee's identity.

If a more personal response is needed to the letter, the co-ordinator contacts the employee to find out if he or she agrees. During the union pressure for recognition, and the ACAS inquiry, many of the letters sent through the "speak up" system were concerned with some aspect of the company's industrial relations policies. About one in eleven IBM UK employees are expected to use the speak-up system this year—more than in any other IBM company in Europe. All speak-up forms each week are read by both Mr. Len Peach, personnel director, and Mr. Nixon.

While the speak-up system ensures that staff views are given the chance to filter upwards—as well as dealing with some personal problems—the major grievance procedure within IBM both in the U.K. and U.S. is the "open door" system. Under this, any employee, at any level, is entitled to take his or her grievance to any senior manager, right up to the chief executive of IBM in the U.S. The door is literally "open" to any employee.

The system can be used if an employee thinks his superior is unfairly treating him or has made a wrong decision, or if he feels the company is making a mistake over a new policy or practice. The manager involved has to investigate the grievance, usually within two weeks, and make a report and recommendation. In almost a third of cases, the employee's grievance is upheld. About ten cases a year involve either Mr. Nixon or Mr.



Key issues of IBM's house journal during the union recognition battle.

Frank T. Carey, the U.S. chief executive, who usually delegate check on industrial relations remain closely involved in its outcome.

But other top executives answer "open door" reports personally. Mr. Peach, for example, is flying to Scotland shortly specifically to deal with one case which had asked for his personal intervention.

While most companies operate an "informal" open door" policy in that there is usually somebody higher up the management hierarchy to appeal to, IBM's more formal system goes further, using the guiding principle of the employee being right unless proven otherwise. This encourages managers at all levels to ensure they maintain scrupulous fairness and records when dealing with staff problems.

Yet even though the open door policy has been the mainstay of IBM's industrial relations in both the U.K. and U.S., obviously it does not always work. Less articulate employees can be shunted away from the real problem by cosmetic steps to improve a particular situation rather than by firm action being taken. "To ensure your employment interests are safeguarded, you need the services of a professional union negotiator," the unions argue in their recruitment literature.

Higher up the managerial ladder, use of the system could be seen as an admission of failure and harm further career progress. IBM uses specially commissioned attitude surveys every

two years, together with the stigated its own propaganda communications system to campaign to employees, spelling out just why union recognition would upset the company's present industrial relations.

Staff throughout the company were shown two video recordings setting out the arguments on average twice a month and also produced. IBM says the cost of providing this information was about £10,000, or a tenth of the figure suggested by some union officials.

Even though the ACAS ballot showed such an overwhelming majority against unionisation of IBM, the unions involved intend to continue their fight. Not only will they do this by continued recruiting drives but there is the scarcely veiled threat of imposing a nationwide "blacking" of IBM equipment purchases by other, highly-unionised companies. Already British Leyland has been given an implied warning by the unions not to buy some IBM equipment it was considering.

IBM itself realises that its present system is not perfect and is continually trying to improve it. Earlier this year it gave three non-executive directors a wide-ranging brief to look at IBM's industrial relations. And 52 employees at Greenock were it is anxiously awaiting a Government announcement on plans to implement employee participation, following the Bullock report.

But whether the unions will ever win the battle for the allegiance of IBM's staff remains other unions keen to end IBM's non-union policy—the industrial relations strategy group in-

employees want it.

### BOOK REVIEW

BY CHRISTOPHER JOHNSON

## Galbraith's uncertain place in history

The Age of Uncertainty by John Kenneth Galbraith. British Broadcasting Corporation and André Deutsch. £7.25. 386 pages

OR THOSE who can still afford both coffee and books for the office-table, the BBC have produced a printed version of Professor Galbraith's recent television series, which is easier and quicker to read than the programmes were to watch. The title refers to the uncertainty now afflicting economics, with the notable exception of Galbraith himself, who seems to be immune from it. As he cannot resist reminding them, he has the advantage over his fellow economists—Keynes is the only

exception he admits—that he can write in a popular style, and is certain of his conclusions. The book sets out to be "first the history of economic ideas, then the economic history," and aims to show how the great economists influenced events, and were influenced by them. Something like this prospectus is adhered to in the first chapter, on the Classical economists, and in the seventh, on Keynes.

But Galbraith's familiarity with history is greater than his knowledge of economic thought, so much of the book consists of racy, opinionated vignettes of such episodes as the battle for control of the Erie railroad, the Paris Commune, and the Crusades (an early manifestation of colonialism). When Galbraith cannot conjure up a suitable economist, he introduces thinkers from other disciplines, such as Herbert Spencer and Lenin or none at all. The last half of the book even rambling and inconsequential than the first, with chapters on the Cold War—without any mention of the economic competition between the Capitalist and Communist systems—the "technostructure" of large corporations, the less developed countries, urban problems, and Leaders Whom Galbraith Has Known, notably Nehru, Martin Luther King and Senator Eugene McCarthy.

### Defects

It is not a valid defence to say that the book has to be judged with allowances for the more pictorial medium from which it sprang. The main defects of the written version are those which marred the televised original: an attempt to do too many different things at once without an adequate logical framework. Galbraith mixes up into an indigestible hotch-potch biographies of great economists—that on Marx is quite well done—history of economic thought, prescriptions of political economy, and report-

**"Lunch at the Trianon for only £5-50?"**

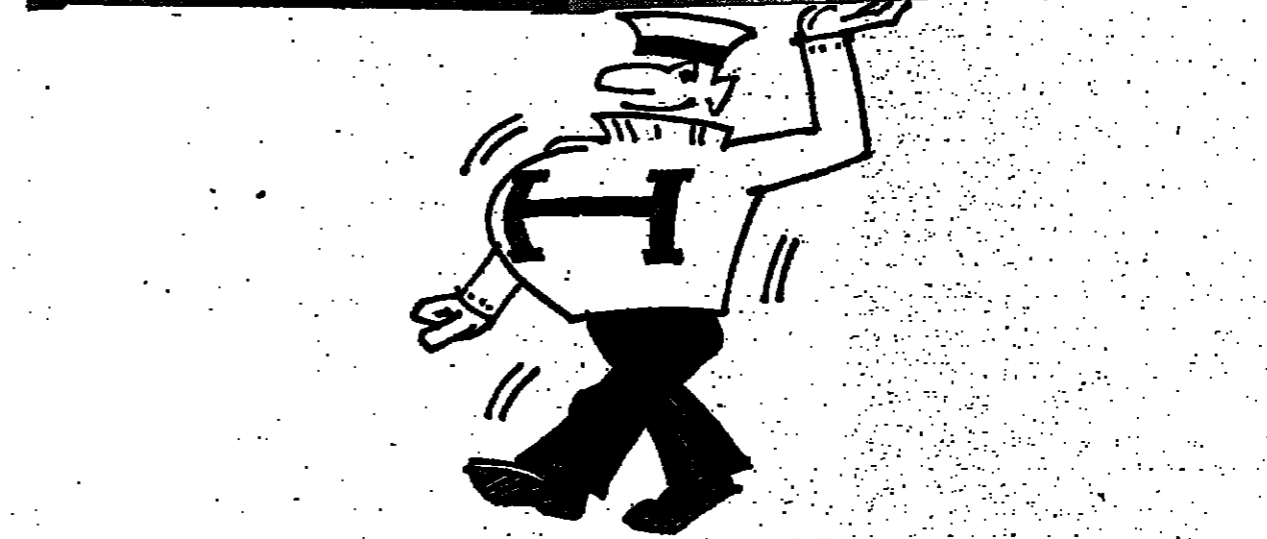
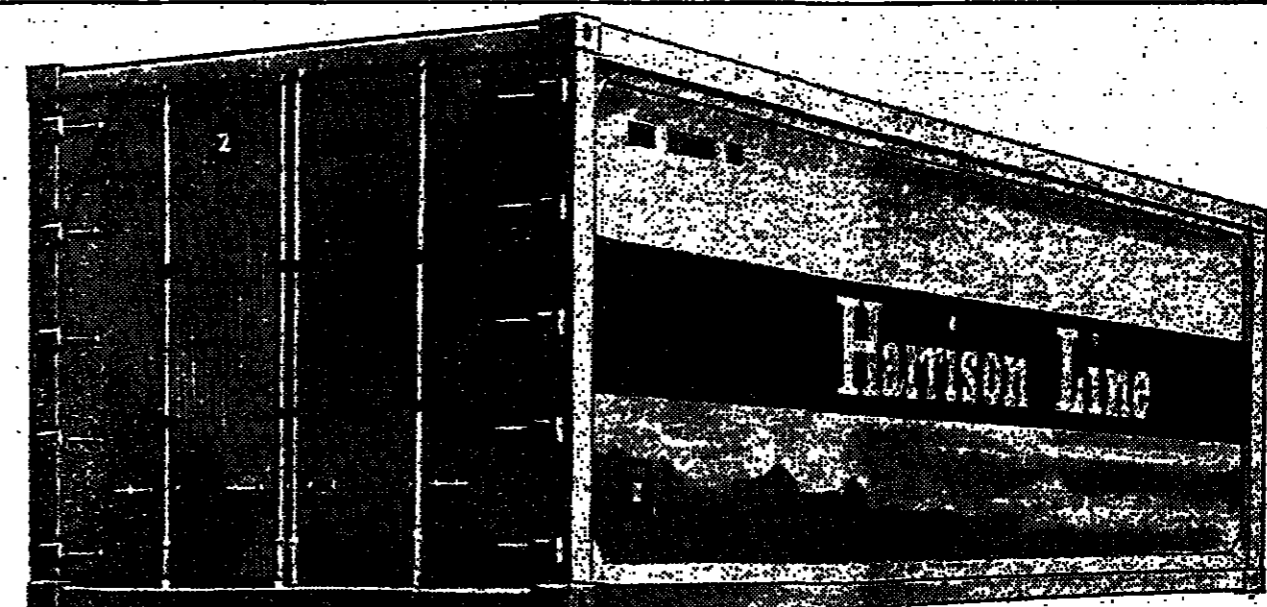
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AEG-TELEFUNKEN					
Simplified Consolidated Balance Sheet as of December 31, 1976					
As	1976	1975	Liabilities	1976	1975
	Millions of DM	Millions of DM		Millions of DM	Millions of DM
Assets	1,402	1,396	Issued share capital	930	930
Fixed assets	928	1,193	Reserves	613	594
and financial assets	2,328	2,589	Minority interests	74	67
ences arising on consolidation	158	160	Equity	1,617	1,591
ories and work in progress	1,848	1,716	Liabilities		
ivables	3,738	2,767	long-term	1,899	2,217
of assets	543	539	medium- and short-term	5,124	4,345
ent assets	6,127	5,022	Total liabilities	7,023	6,562
olidated loss	27	382			
	6,840	6,158		6,840	6,158

Copies of the Annual Report may be obtained free of charge from G-TELEFUNKEN, Zentralabteilung Finanzierungen, Theodor-Jung-Kal 1, D-6000 Frankfurt 70.  
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THE FINANCIAL TIMES

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Handwritten note: 10/2/1977

Assessment of the British EEC presidency • By GUY DE JONQUIERES in Brussels

How Britain irritated its Common Market partners

Targets for transport

MR. WILLIAM RODGERS, the Transport Secretary, cannot hope to have pleased everyone with his attempt to re-state the broad objectives of transport policy. There is a need to minimise the harmful effects of transport in loss of life or damage to the environment.

Changing needs In short, the underlying message in the White Paper for rail, bus, and other transport operators is that their future role will essentially be determined by the efficiency with which they cater for changing transport needs.

The Rhodesian trip that matters

IT IS beginning to look as if some critical decision affecting southern Africa will be taken within the next few weeks. Dr. David Owen, the British Foreign Secretary, will be visiting the area around the end of next month and, although the preparations for the trip are far from complete, it is already clear that it is seen in London as something like a final effort at a peaceful settlement in Rhodesia before the fighting gets totally out of hand.

Liability The Foreign Office confirmed yesterday, for example, that along with the U.S. State Department it is working on a three-part settlement plan. One element is an independence constitution, another is a development fund for an independent Zimbabwe, and a third is an international peace-keeping force to maintain order during the transitional period.

Chances Progress towards a peaceful settlement in Rhodesia might go some way to persuade the Americans, and indeed the Africans, that the diplomatic approach can work. It should at least take the pressure off Southern Africa as a whole as attention concentrates on the Rhodesian experiment.

THE European council meeting of Heads of Government of the Nine in the last important Community event to take place during Britain's six-month presidency over the Council of Ministers, which ends officially at midnight on Thursday. It is probably fair to say that the British Government, and particularly the Foreign Office, will relinquish the chair with a sense of considerable relief.

On the other hand, the British Prime Minister, Mr. James Callaghan, gave only tepid backing to the efforts to secure a seat at the Downing Street economic summit for his former Cabinet colleague, the former President of the European Commission, Mr. Roy Jenkins. Mr. Callaghan, it seems, was no keener than President Valery Giscard D'Estaing of France to encourage a formal Community presence which might have circumscribed his own freedom of manoeuvre in the discussions with President

Mr. Roy Jenkins: the support from London was tepid. Jimmy Carter and other world leaders. It is in its handling of internal EEC questions that the British presidency has aroused most criticism. From several viewpoints, the circumstances in which the British came to the chair could have been happier.

under strong pressure to cut price inflation in advance of negotiations for a third phase of wage restraint. The British Government may have managed a more convincing show of commensurate spirit if it had not also been deeply divided about the whole question of EEC membership and the particular issue of direct elections to the European Parliament. By cancelling most EEC Councils below the level of foreign affairs have been chaired by British ministers who have been openly anti-market. However correctly

marathon negotiating session at the end of March, and suspending the talks for a month instead, Mr. Silkin made it harder, not easier, for other farm ministers to grant concessions to the U.K. After all, other ministers must also satisfy domestic interests that they have obtained the best deal available. They are likely to carry more conviction in their national capitals if they emerge from their meeting after tense nights of haggling than in time to return home for dinner. Mr. Silkin approached the problems of British pig farmers

thermo-nuclear fusion project which even France is now prepared to see sited at Culham, near Oxford. But the U.K. failed to get the decision it wanted at the last research ministers' council in March, partly because it upset the smaller governments by not bothering to consult them properly in advance. It is questionable whether a final decision could have been reached at that meeting anyway, because anti-British feelings were running high as a result of Mr. Silkin's tactics in the farm council on the previous

Some hope that the British presidency over the Community begins on July 1, mark a return to fuller crisis on the fulfilment of the laid down in the treaty. It will depend also on the of the EEC Commission to drive imaginative and politically acceptable proposals. In early stages of the British presidency, at least, the new mission under Mr. Jenkins too busy trying to find its way to make a great deal of im

More recently, the Commission has produced some technical proposals for reform of the regional and social fund and increasing investment along with the Davignon for restructuring the steel industry. But the test of these is not whether the governments are willing to adopt them, it is too early yet to whether Mr. Jenkins and colleagues have succeeded reversing the steady decline of the Commission's political authority which has taken place over the past few years. Some of the Commission's proposals, notably that intended to combat youth unemployment and to set up \$1.2bn. EEC loan fund, will be examined at this week's European Council in London. A few firm decisions are expected and the signs are that Callaghan sees the meeting as a vehicle for a general discussion about world political and economic situation. In the meantime, Britain has been freed for at least other four years of the uncertainty that it would be responsible for steering a "unfair" if other countries whole enterprise, and will refused to site the JET at Culham. When Britain began its presidency, it deliberately eschewed the setting any grandiose goals, on a hard battle still to be fought the reasonable grounds that six over fisheries policy, the months was too short to achieve should be plenty to attend to



Mr. Roy Jenkins: the support from London was tepid. Mr. Finn Gundelach and Mr. John Silkin: when it came to the Common Agricultural Policy, the British manner was irritating.

MEN AND MATTERS

Defending Orlov

John Macdonald, QC, is an optimistic man. He hopes that the Soviet authorities will allow him, an English barrister, to attend the trial of physicist Yuri Orlov, one of Russia's leading dissidents who yesterday was charged under the Soviet criminal code with slandering the State. He could face a sentence of up to three years in jail. Macdonald's hopes of defending Orlov, or even being allowed into the Court as an observer, are ambitious to say the least — he agreed last night that no foreign advocate has ever been allowed at a Soviet trial — but the Orlov affair has been handled so far in a far from ordinary manner.



"Well done Carruthers!"

to Promote Observance of the Helsinki Agreement, will get a fair hearing especially as he will be in the dock before the full international conference to review Helsinki is held.

Opportunity revealed

John Wilhelmy, 51, is a small businessman who wants to dispose of his company. Asking price for this going concern: nil. For Wilhelmy yesterday declared himself the man who, as I reported last week, had advertised his firm anonymously in a Peterborough newspaper. After a dozen years of working long hours, he is no longer prepared to struggle with the rising tide of paperwork inspired by a succession of Governments hostile to small companies. "The person to whom I give my company," his advertisement ran, "will require no capital or other financial outlay, merely the guts to walk in and take the opportunity of a lifetime."

Span was originally based in Westerham, Kent, moving to a new factory on an industrial estate in Peterborough a couple of years ago. It was about that time, Wilhelmy said, that disillusion set in. He tried unsuccessfully to borrow £2,000 for an exports project; failure to raise the cash came hard at a time when State aid was going to Chrysler and what he described bitterly as the "dead-beats at Leyland."

He has had about 160 inquiries plus letters of encouragement and condolence. Wilhelmy insisted the company is debt-free and quite viable. Sales over the past two years rising 147 and 494 per cent. to stand near £200,000 now. It employs about a dozen staff, who had suspected Span was for sale but expressed "interest and relief," Wilhelmy said, when he told them of his plan. He hoped there could be some sort of equity participation for his employees.

He is not among the world's most eager tax payers which seems to be why profitability is low. His fear now (well grounded, as experts questioned yesterday agreed) is that even a give-away would mean the tax people exacting some sort of levy, which would torpedo any deal. Wilhelmy's way of doing things may seem bizarre, but in these difficult times for his sort of business his parting shot was understandable: he was sure the Government would expect him to pay out "half of everything I do not get."

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Earlier this month, at the Institute of Physics in London, what amounted to a mock trial of Orlov was held. A dozen witnesses were called by Macdonald for a presentation of the defence to rebut Soviet allegations and talk about the persecution that dissidents suffer. The 86 pages of evidence will be forwarded to the legal authorities in Moscow. By law, Russian courts must study all written evidence supplied to them. Defendants are allowed to choose anyone, lawyers or otherwise, to defend them, but there is a catch: it has to be someone whom the court approves. Macdonald is not alone in pressing to defend a dissident. Ramsey Clark, a former U.S. attorney general, is acting on behalf of a group of Ukrainians, though he has not so far been allowed into Russia either, and there are added complications in that Clark's case will be heard outside Moscow. Macdonald declared himself confident that Orlov, a founder member of the Russian Group

SOCIETY TO-DAY

BY JOE ROGALY

The great muddle of the planners

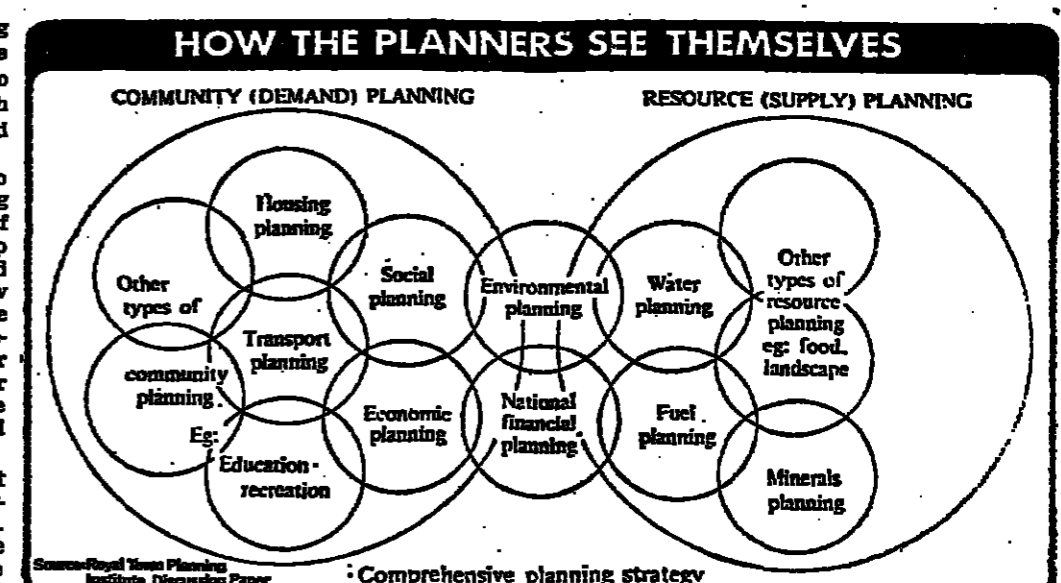
BRITAIN'S SYSTEM of town and country planning is held in high regard by foreign practitioners of the discipline... The system of planning that we are supposed to be developing has been so long in the hands of the planners...

These plans have been approved, although the Department hopes to get most of the others in from the counties by next April... As for the local plans, they cannot become legally effective until after the structural plans have been approved...

It is at this point that a first agreed principle can be discerned. Most people, one suspects, favour a planning system that enables officials to prohibit certain types of development... The difficulties arise when we move to positive planning decisions. These have gone so wrong since 1947 that it is hard to know where to begin...

use on one's walls, as ours can and does. The American tourists' neon row is usually confined to one part of the city; it is horrible to the European eye... It is taken from Planning and the Future, a discussion paper prepared by a committee set up by the Royal Town Planning Institute and published last November.

ing up small shops and keeping them closed; they now force supermarkets and others to crowd into designated High Streets, thus inflating rents and prices. Planners are now set to do further damage by following a new fad: the revitalisation of our inner cities... This leads to several other principles that might be the basis of, say, a 1978 Town and Country Planning Bill.



circles could conceivably be a Venn diagram, drawn up by those who have been taught modern mathematics; more likely they show that a compass was on someone's desk and it seemed like a bright idea to fill in the resulting pattern with a series of labels.

Either way, what the diagram really shows is that there are too many variables, and worse, that too many of them depend upon one another. You might relate "housing planning" to "transport planning" but when "transport planning" is "economic planning" you have already guaranteed that you will go wrong.

Lessons of Grunwick

These comparisons seem to me unjustified, but episodes like this continue to consume the stock of good humour and conciliation which made Winston Churchill call the British a simple and acceptable system for preventing pimpling like the Grunwick dispute from becoming abscesses infected by publicity hunters whose concern with good management and decent methods of employment is at rest.

On the other hand, unlike a political demonstration, mass picketing has a target (or a series of targets) which is comparatively difficult to protect if it is merely walking. Nevertheless, you sensibly point out in your reader on June 23, it is not easy to persuade passengers on a bus to be harder still to intimidate them, but the bus's presence does the frustrating behaviour—hanging on the sides and bawling things—which is very intimidating indeed to individuals on foot or passengers in smaller vehicles.

Against reality

From the Chairman, Venida Investments. Sir.—I refer to your editorial of June 23 which seems to imply that if financial and property companies departed from their present method of preparing annual accounts they would not have to pay the excessive tax charges which they suffer at present.

Vacillating leadership

From Professor D. Middleton. Sir.—Sir Ronald Leach (June 23) calls for a display of confidence in the leadership of the accounting profession. But the vacillation of the "leadership" over inflation accounting during the last few years hardly inspires confidence.

Only limited support

From Mr. R. Phillips-Stow. Sir.—It is to be hoped that members of the Institute of Chartered Accountants will give him a far better idea of where his business is going in relation to inflation and cash flow. In some of these cases the basis of accounting convention is then immaterial.

Two sets of books

From Mr. M. Daniel. Sir.—From the tone of your comments (June 23) it would appear that you are going to appear to be read carefully. The motion does not say that the proposers are against inflation accounting; they are against it being made compulsory and even if the motion is passed there is nothing to stop the Institute restricting the initial standard to the listed and larger companies.

Initial action

From Mr. J. Hanley. Sir.—There is no doubt that the public is confused as to whether chartered accountants favour or reject inflation accounting. To add our clients, might we not disagree with the designatory letters FCA and ACA and choose CCA or HCA to follow our names as we feel appropriate?

Print some more

From Mr. J. Wyatt. Sir.—In view of the over-subscription of the offer for sale of BP shares, why did the Government not follow its customary practice and print some more? Sir.—I am not against inflation accounting, but I am against its introduction as a blanket convention when even the foremost thinkers of our profession cannot decide upon its final form.

Developing new products

From Mr. P. Townsend. Sir.—Mr. Dore raises an important point in his letter on new product development (June 14). In effect he appears to be saying that "volume products" cannot afford to sell anything but volume products, ever. How then is he to start? How would such present-day volume products as Marmite or marmalade become accepted by a public unfamiliar with them?

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In India the recent economic upswing makes this enormous market much more attractive to British companies. That's why our 100 years' experience and 24 established branches in India will be so important to you. Come and talk to us about trade finance or undertaking a market survey; we can advise you quickly, and help you meet the right people. Ask Keith Skinner today on 01-623 7500 how we can assist you in India.

Letters to the Editor

Advertisement for Dr. Annie Besent Road. Includes text: 'डा. अनी बेसेंट रोड', 'Dr. ANNIE BESENT ROAD', 'POSTAL DISTRICT NO - 18', 'HOUSE NOS TO & TO'. Also includes a list of 'To-day's Events' and 'COMPANY RESULTS'.







BIDS AND DEALS

Beaverbrook bid decision likely this week

CRUCIAL DECISIONS on the possible £12m bid by Mr. Nigel Trafford for the Beaverbrook Newspapers are likely to be taken in the next few days...

Raybeck is bidder for John Stephen

Raybeck, the clothing manufacturer and retailing group headed by Mr. Ben Ray, is the bidder for John Stephen...

PROBE INTO NEWMAN TUBES DEALINGS A preliminary examination of share dealings in Newman Tubes prior to last week's takeover...

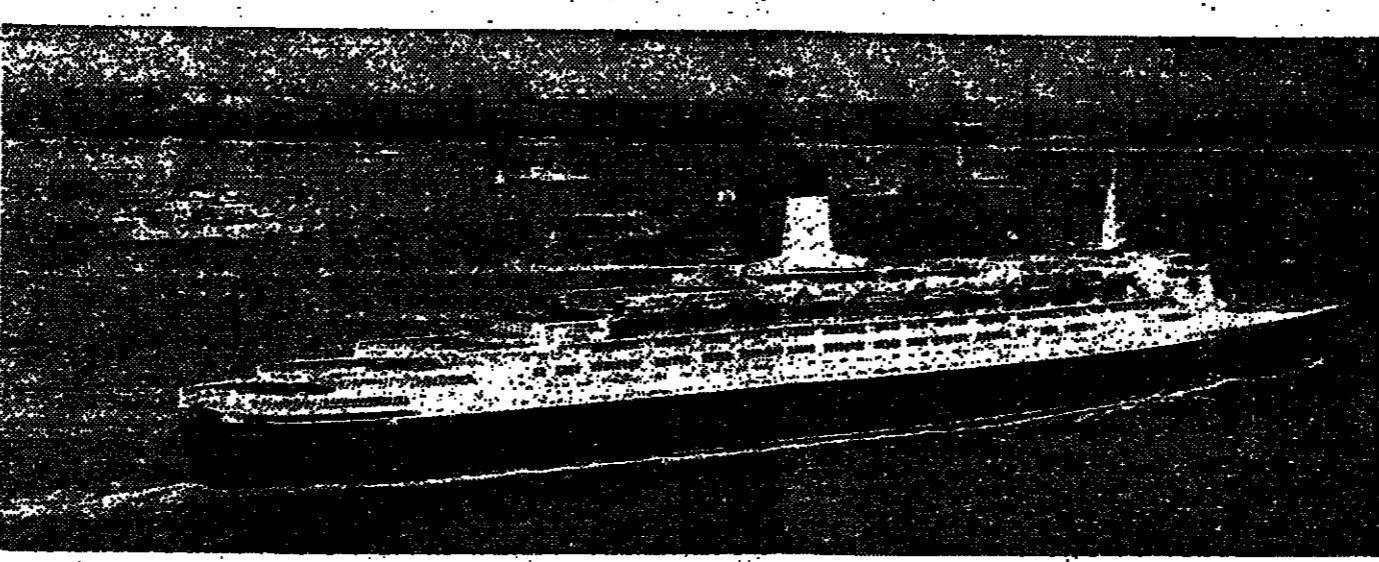
VICKERS ACQUIRES JOYCE-LOEBL Vickers has acquired from Technical Operations, the capital of Joyce-Loebel, of Gateshead...

BRISTOL POST Bristol Evening Post has agreed terms for the purchase of the newspaper by the investment company...

CONCERN AT METAL BOX Demand for the products of Metal Box during the current year is expected to be satisfactory...

R-R/FODEN A letter to Foden's shareholders from the chairman, Mr. R. R. Foden, says that the company is pleased to announce...

HOME NEWS



A contrast in seafaring styles at Spithead yesterday as the Queen Elizabeth II, en route from Southampton, sailed past the lines of assembled warships...

Buy out absentee landlords urges Labour

A PROGRAMME to acquire the neglected privately-rented accommodation in London and other major cities over the next ten years...

Beer prices freeze 'would be disaster'

A 12-month freeze on beer prices would be disastrous in terms of lost jobs, says a spokesman for the industry...

Grammar school parents win survival ruling

PARENTS OF boys attending the 185-year-old St. Marylebone Grammar School, London, yesterday won the first round of their latest battle to keep the school in existence...

Midland Bank broadens life cover on loans

THE MIDLAND BANK today cover over the counter. The maximum amount of insurance customers granted overdrafts or borrowing in some other manner...

Clash looms over TV licence fees

THE BBC and the Government to keep the increase to a minimum appear to be in collision over what course over the future of television year and to hand over the licence fees...

Santa Fe International Finance Corporation

Table with columns for serial numbers of temporary bonds and definitive bonds to be redeemed, including interest rates and redemption dates.

THE RUBBER GROWERS' ASSOCIATION LIMITED

INTERNATIONAL INTEREST IN COMMODITIES SATISFACTORY YEAR FOR PRODUCERS

MR. R. A. DUNCAN EMPHASISES IMPORTANCE OF QUALITY PRODUCTS

The Annual General Meeting of The Rubber Growers' Association Limited was held on 27th June in London. Mr. R. A. Duncan, R.D., the Chairman, presided and in the course of his speech said...

The past year has been a good one for producers of almost all the primary commodities with which the members of this Association are involved...

Such for the past and it is now my aim to bring a forecast for the ensuing year. For natural rubber I remain optimistic. It has always been true to say that every pound or kilogram of natural rubber produced could be sold at a price...

When dealing with plantation crops the question of maintenance of quality of the product must be high on the list of priorities. In this connection, the British Association of Synthetic Rubber Manufacturers has, in his recent review of the fortunes of 1976, expressed the belief that it is inevitable that prices of SR will fall again in 1977...

For palm oil it seems to be generally expected that the current high price levels will not be maintained and that towards the end of the calendar year the price may be expected to fall. As Chairman of the Association I attended the FAO's recent meeting in Rome on oilseeds...

There have been various international meetings during the year. Rubber has been discussed by the Association of Natural Rubber Producing Countries (ANRPC) who have, in November last year, come to definite conclusions as to how to stabilize natural rubber prices at least to the extent of ironing-out the wide fluctuations which have historically been such a feature of the market...

On palm oil the position is not quite so clear cut. Some of the developing nations would like to see a buffer stock formed on lines similar to that in operation for tin and contemplated for rubber and UNCTAD have convened a meeting for the end of June in Geneva to discuss this possibility...

INTERNATIONAL FINANCIAL AND COMPANY NEWS

Allianz looks at stake in MBB

WEST GERMAN'S largest insurance company, Allianz Versicherungs AG of Munich, is believed to be interested in taking a stake in Messerschmitt-Bölkow-Blohm, the country's leading aerospace concern.

A spokesman for Allianz declined either to confirm or deny that talks had been held with the city state of Hamburg which last year took a 20.25 per cent stake in MBB. Hamburg, too, refused to comment.

MBB, based near Munich, is a producer of the profitable BO 105 helicopter, one of the main German contractors for the multi-role combat aircraft, a participant in the Airbus project and a successful missile builder. Much of the share capital has been in private hands although the Blohm family sold out most of its stake to Hamburg at a price estimated at about DM62m.

MBB shareholders include Prof. Willy Messerschmitt (16.2 per cent), Ludwig Bölkow (13.42 per cent), the Boelag Company (8.9 per cent), the state of Bavaria (7.8 per cent), and Fides GmbH — grouping Aerospace, Siemens and Thyssen — with 25.6 per cent.

Robert Bosch, the privately owned electrical group, has previously expressed interest in MBB too — the aerospace concerns activities clearly coinciding with its own.

Gist Brocades coupon cut

THE COUPON on Gist Brocades has been cut to 8 per cent, and the bond priced at par and a half. The issue was more than five times oversubscribed, an indication of the market's hunger for good quality corporate paper. The loan could easily have been raised but the borrower did not require the money.

Another Dutch company is already tapping the market: one of the largest Dutch insurance companies, AMEV, is raising \$20m. Terms will be announced later this week. Lead manager is Pierson Holding.

FRENCH COMPANIES

Air France blames State

PARIS, June 27. AIR FRANCE, the French national airline, today confirmed that its losses in 1976 totalled Frs418.5m (nearly \$50m), roughly the same as in 1975, but claimed that this deficit did not accurately reflect the company's real operating results.

In its annual report, which was sharply criticised by the State, Air France emphasised that if the State had reimbursed "normally" the cost of services which it obliged the airline to provide—such as super-sonic Concorde services—operating out of two Paris airports its operating accounts would have been in surplus.

The report pointed out that the company had asked the State for Frs460m, to compensate it for providing loss-making super-sonic services which alone accounted for Frs220m of the total loss, and other counterparty operations. But the government had agreed to pay the company only Frs427.5m. In 1976 and above all, had refused to make any counterparty payments for 1976, which Air France said should have amounted to Frs240m.

AMERICAN NEWS

Gamble-Skogmo refuses

NEW YORK, June 27. GAMBLE-SKOGMO, which has been considering a takeover bid from the French firm, Agache-Willot, today announced that the offer in its present form was unacceptable.

Gamble-Skogmo, an owner and franchiser of retail stores, has a book value of close to \$50 per share, and opened trading today at \$34.10 off \$37 from Friday's close. The Gamble-Skogmo Board is "unanimously attracted to the offer on principle."

Litronix announces bid from Siemens. LITRONIX INC. said that Siemens of West Germany had agreed to purchase 8.7m of its common shares for \$7.5m, cash. Reuter reports from Cupertino, California.

Bi-Low bid for Ahold. BI-LOW INC., the South Carolina-based retail grocery chain, has announced approval by its Board of the \$55 per share offer for all 1.7m outstanding shares by Ahold-NB of the Netherlands.

Avis deal completed. THE PROTRACTED search for a proper buyer for International Telephone and Telegraph's 47 per cent interest in Avis, has officially come to an end, reports New York Staff.

Total Petroleum (NA) deal with Apco. TOTAL PETROLEUM (North America) said the Letter of weight (although three years ago Volvo went into a co-operative agreement with Saab, DAF and MAN for a lighter vehicle starting at 7 tonnes). They are therefore involved in designing very similar engines for the two companies.

Despite all the emphasis the companies have put on maintaining separate identities, the clear intention behind the merger is to rationalise activities—and therefore the workforce—wherever possible.

Components like the engine. Only about 20m of that would be spent in re-tooling; the rest would go on research and development and design of the cab. On the car side, however, such a process of rationalisation would be much more difficult to achieve.

On the car side, rationalisation would make much more sense since Saab is now a quarter of its size (100,000 units a year against 400,000) and does not have the size, nor the variety of models to support a strong separate franchise. But if this rationalisation is undertaken it may well be a long ten-year spell before the full fruits of the action are seen.

Both Volvo and Saab seem to be thinking on these long-term lines. They are, after all, acting from positions of relative strength, while their truck businesses still rank among the very top European companies, and the car operations have entered into an irreparable decline. The decision to start merger moves at this point also buys them time to bring together the unions over a longer period, and to rationalise activities without a harsh, short-term redundancy policy. What every Volvo and Saab between them is waiting to see now is whether the workers agree that it is better to move now than to drop one of the networks a few years' time.

Liechtenstein follows Swiss

ZURICH, June 27. THE LIECHTENSTEIN Government and the principal bank of the principality today signed an agreement aimed at improving identification of clients and funds and of counteracting the movement of fugitive money movements. This agreement has the same contents as that signed at the start of this month between the Swiss National Bank and the Swiss Bankers' Association and will also run for an initial five years from July 1.

Spokesmen for Government and bank association said in Vaduz that the agreement had been created as an act of solidarity with Switzerland. The Swiss agreement had been drawn up, according to an earlier statement by Swiss National Bank President Dr. Fritz Leutwiler, as a direct result of the scandal involving the Chiasso branch of Credit Suisse, in which Swiss Frs. 2.17bn of clients' fiduciary funds were improperly channelled to the Luxembourg-based Generali group.

All three banks in Liechtenstein have signed the agreement, made at last Friday's E.G.Y. The Liechtenstein banks are themselves also members of the Swiss Bankers' Association. In Switzerland, the resignation spokesman today said that intention had already been announced of Dr. H. Escher as a member of the Federal Banking Commission.

Illovo closes results season

JOHANNESBURG, June 27. ILLOVO SUGAR ESTATES, 42 cents to 52 cents and the which is controlled by Tatani, has completed the latest 20 cents, putting the share price at 1.50.

A week ago Avis abandoned last-ditch efforts to thwart the Norton Simon bid, which included \$23 per share for the ITT holdings as well as for the 4.2m shares publicly held.

World Value of the Pound

The table below gives the latest available rates of exchange for the pound against various currencies on June 27, 1977. In some cases rates are nominal. Market rates are the average of buying and selling rates except where they are shown to be otherwise. In some cases market rates have been calculated from those of foreign currencies to which the pound is pegged. The pound is officially controlled and the rates shown should not be taken as being applicable to any particular transaction without reference to an authorised dealer.

Table with columns: Place and Local Unit, Value of £ Sterling, Place and Local Unit, Value of £ Sterling, Place and Local Unit, Value of £ Sterling. Lists exchange rates for various countries like Algeria, Argentina, Australia, etc.

Thomas Cook Banker. The accepted name for money. Worldwid. Thomas Cook Travellers Cheque. The accepted name for money. Worldwid.



INTERNATIONAL FINANCIAL AND COMPANY NEWS

Another boost for Reckitt Australia

RECKITT AND Colman Australia, the food, wine and pharmaceutical group, boosted earnings 22 per cent...

Shiseido to lift earnings

BY OUR OWN CORRESPONDENT TOKYO, June 27.

JAPAN'S TOP manufacturer of cosmetics, Shiseido, has reported a sound gain in profits for the six months to the end of May...

P. and G. Sunhorne to double capital

THE JAPANESE-U.S. joint venture, Procter and Gamble Sunhorne Co. Ltd., will double its capital to ¥24bn...

Cayman move by Mitsubishi

MITSUBISHI Bank said it has established a subsidiary with headquarters in the Cayman Islands...

Profits rise by 35% at Olympus Optical

OLYMPUS OPTICAL Company said its net profit in the half-year to April 30 rose to ¥1,914bn...

Heavy borrowing in Paris

THE PARIS bond market is responding readily to the latest spate of new issues. Prices are holding steady despite the fact that over Frs.1.4bn...

Wah Kwong issue

WAH KWONG shipping and investment is issuing 3,022,487 shares of S\$1.50 to shareholders who elected to receive new shares in lieu of the 1976 final dividend...

Denac to close down

THE SPECIALISED investment fund for retail and food-stuff industry stock, Denac, is to be dissolved at the end of this year by Intrac AG...

Swissair earnings rise

SWISSAIR, Schweizerische Luftverkehrsgesellschaft AG, said its earnings rose 18 per cent in May compared with the same period a year ago...

Keisei Elect Creditors none the axe

BY DOUGLAS RAMSEY IN TOKYO

JAPANESE BANKS are currently trying to sort out the deep financial plight of a leading private railway company, Keisei Electric Railway...

First take a participation in management before allowing it to default on any of its debts...

Mitsui Trust and Keisei's other creditors have rejected the plan. They insist that it does not cut deep enough and that, in particular, it greatly overstates the sale value of its real estate holdings...

largest trading company chalk really in trouble. Keisei owns some 24m. square metres of land, about 70 per cent bought after 1971...

Table with columns: Offer, Bid, Offer, Bid. Title: SELECTED EURODOLLAR BOND PRICES - MID-DAY INDICATIONS. Rows include various international bonds like Australian, Canadian, French, etc.

U.S. offshoots complain

BY JONATHAN CARR BONN, June 27

TWO MORE West German subsidiaries of foreign oil companies have reported greatly improved results for 1976...

Israeli water group NAHAL, the Israel Water Planning Company, which provides planning and consultant services in Israel as well as in 20 foreign countries...

BASF Aktiengesellschaft

Notification of Dividend

The Ordinary General Meeting on 23rd June, 1977, has resolved to distribute for the fiscal year 1976 a dividend of DM 8.50 for each share of DM 50 nominal value.

Payment in Great Britain, which is free of charge, will take place through the following banks: Kleinwort, Benson Limited, London; S. G. Warburg & Co. Ltd., London.

Sangers Group logo and text: Year of real growth. Extracts from the Accounts and Statement by Mr. H. T. Nicholson (Chairman). Table showing 1977 vs 1976 performance: Turnover 80,503 vs 65,138, Profit before tax 2,440 vs 1,880, etc.

Selection Trust Limited logo and text: A British based mining finance house. The parent of a group of more than 100 active companies with an international spread of activities including Mining, Minerals Exploration, etc. NET PROFITS UP BY 72%. Results for the year ended March 31st: Revenue £31,540,000, Expenditure £13,280,000, Profit before tax £18,260,000, Net Profit £10,480,000.

سكواي جال

IAN HARGREAVES LOOKS AT WHITE PAPER ON TRANSPORT

Government aid to keep down bus fares

MEASURES to keep down bus fares and give new transport powers to county councils are proposed in the long-awaited White Paper on transport policy published yesterday.

There will have to be a railways Bill, as financial support arrangements for British Rail are due to expire soon. It is possible that measures to give county councils the final say on the closure of loss-making local railway lines will also be enacted.

'Close control by State would not meet need'

OF THE £20bn. which went into transport last year, central and local government spending accounted for only one seventh. The White Paper points out. It says it is up to the Government to set the rules and framework for development.

Buses preferred to more road spending

THE White Paper sets financial objectives to the end of the decade and envisages holding the present budget stable at £32.2bn. a year in terms of last year's prices. That is lower than the annual allocation between 1973 and 1976.

Counties may be given power to close local railways

IN FORMULATING detailed transport policy, the Government looks to a wider role for local authorities. They have the right experience and are democratically accountable, says the paper.

'Close control by State would not meet need'

Subsidy should only be paid when there is a clear need. To use subsidies to disguise from people the cost of the services they are paying for is pointless, and to subsidise richer people at the expense of poorer is perverse.

Counties may be given power to close local railways

There should be closer relations between metropolitan county passenger transport authorities and bus operators (such as National Bus), involving in some cases voluntary transfer of assets and services. Compulsory transfers are ruled out.

Diverting freight from roads would put up prices

RAILWAYS OFFER no real alternative to transport of most of the goods that now go by road, says a White Paper.

Strategic network abandoned

BRITAIN NOW has 1,400 miles of dual carriageway trunk road and 1,360 miles of motorway.

'Little Neddy' suggested

FOLLOWING the re-establishment last autumn of a separate Ministry of Transport, the Government believes there is no case for setting up a wholly new authority, such as a National Transport Council or National Transport Planning Authority.

Time scale

Although the Government accepts the need to maintain public transport, it says financial support cannot be open-ended. On road safety it says it will legislate soon to effect improvements, but no details are given.

European Ferries to spend £3m. on container port

BY OUR SHIPPING CORRESPONDENT

Most reactions restrained

THERE WERE few extreme reactions to Mr. Rodgers' White Paper — an indication of his success in steering a middle course between the various lobbies.



Mr. William Rodgers, Transport Secretary—more money for buses, less for roads.

INLAND SURFACE TRANSPORT PUBLIC EXPENDITURE

£m. at 1976 Survey Prices

Table with 6 columns: Year (1971-72, 1973-74, 1976-77, 1977-78), Feb. Public Spending White Paper, New proposed. Rows include Local Transport (Capital, Current), Central Government support (British Rail, National Freight Corporation), Motorways and Trunk Roads, and Other surface transport programmes.

Plan to legalise fare-paying car passengers

LOCAL AUTHORITIES are to be given greater powers to control parking and manage traffic. Powers exclusively given to Greater London Council to license privately operated car parks which are open to the public will be extended to all county and regional councils.

New cut in night jet flights

THE NUMBER of jet air movements permitted during night at Heathrow and Gatwick will be cut next week.

Nationalised corporations promised maximum freedom

THE GOVERNMENT intends to work on the principle of maximum freedom for nationalised transport corporations, giving clear objectives and stability of planning based on realism.

Most reactions restrained

THERE WERE few extreme reactions to Mr. Rodgers' White Paper — an indication of his success in steering a middle course between the various lobbies. The British Road Federation used some of the strongest language, saying: "The Government has run away from the hard decisions that need to be taken."

Cavalry still star draw for tourists

A PROPOSAL to isolate Household Cavalry sentries Whitehall from tourists turned down yesterday.

WINE

Exploring in Spain

BY EDMUND PENNING-ROWSSELL

SPANISH TABLE WINES with the exception of Rioja are, it must be admitted, not highly regarded here although imported in surprisingly large quantities...

Particularly important is the stipulation on local bottling, for the plague of Spanish wines has been movements in bulk for subsequent blending...

Encouraging Like so many European wine areas, production in the Penedés region—one of the four provinces that comprise Catalonia—is immensely larger before the phylloxera; and deserted terraces can still be identified on the hillsides...

As recently as April of last year new regulations were issued, officially setting out the conditions for the Denominación de Origen. Only specified grapes may be employed, defined alcoholic limits have been fixed...

Carinena (Carignan). These last two varieties are common in the not-far-distant Midi. In addition there are interesting experimental plantings with imported varieties, notably Cabernet-Sauvignon, Pinot Noir and even Rhine Riesling...

The wine country is rolling and attractive, with the vines starting near the sea at Sitges, a popular resort that was the birthplace of El Greco...

The hills and lesser mountains have that scrubby, stony look that one associates with the Mediterranean littoral, and the general aspect is brown save for the green of the gullies...

The authorised white grapes are all Spanish: Xarel·lo, Macabeo and Parellada, with the last named giving the most distinguished wine, particularly when grown on the higher slopes of the Alt Penedés...

APPOINTMENTS

R. Thomas to be Fisons director of finance

Mr. Roy Thomas is to become finance director of FISIONS from August 8. He joins as an associate director of the main Board and will be finance director in place of Mr. R. Bonnis...

Mr. John P. Flanagan has been appointed chairman of the WINE AND SPIRITS ASSOCIATION for 1977/78. Dr. Peter Hallgarten becomes deputy chairman.

Following the retirement of Mr. M. W. F. Cooper from the FEARL ASSURANCE COMPANY, Mr. C. T. Bowring is to be assistant general manager (marketing and sales) and Mr. J. Houlden, controller (marketing and sales).

Mr. Leonard Neal has been elected director of EMPLOYMENT CONDITIONS ABROAD and has become chairman. Mr. Timothy Adams, finance director of Western Holdings, has been appointed group financial

director of DUNFORD AND ELLIOTT in succession to Mr. D. R. Ward, who has become managing director of Dunford Hatfields and Brown Bayley Steels. Mr. John A. E. Fryer, Mr. Colin D. Neil and Mr. Brian Williams have been appointed to the Board of BERNARD SUNLEY INVESTMENT TRUST...

Mr. C. G. Blows, Mr. B. D. Smith and Mr. E. C. Wilson have been appointed directors of FULTON PACKSHAV SUPPLY INVESTMENT, a subsidiary of Charles Fulton and Co. Ltd.

Mr. J. S. R. Ritchie has been appointed London secretary of the SOCIETY OF EQUITY LIFE ASSURANCE SOCIETY from July 1. Mr. William Goldstein is to become chairman and Mr. Brian Jones group managing director of ELIAS AND FELDSTEIN (HOLDINGS) on July 1.

Mr. Nicholas Singham is to become EMI resident director, Japan, from October 1, succeeding Mr. Brian Decker, who will be taking up another senior appointment within the group. Mr. Singham is at present executive assistant to the managing director of EMI Italiana.

BANKING AND LEGAL APPOINTMENTS

Euro Loan Syndication

Paris-based international bank offers key position to outstanding executive in this field who has successful record in business acquisition and negotiation with borrowers; keen knowledge of and extensive contacts in the international loan syndication market; a flair for imaginative structuring and proven persuasiveness.

Acquaintance with non-recourse finance and knowledge of languages will be pluses. Minimum age: 30. This key position provides a generous salary protected against inflation plus formula profit sharing and customary fringes. The working atmosphere is one of efficient but informal decision making and much reliance on personal initiative.

Please write in absolute confidence for further details to Box 549, Financial Times, 10, Cannon Street, EC4P 4BY.

GENERAL APPOINTMENTS

On behalf of clients who require Trustees for Private Foundations, Companies, Trusts, Estates, Wills, and other legal matters, we offer our services in U.K., U.S.A. & Hong Kong.

YOUNG DEALER or BLUE BUTTON eligible to be authorised required by HENRY COOKE LUMSDEN & CO. Tel: 01-628 0411

GALLIPODI RESTAURANT, of 210 Strand, London, W.C.2, is now for lease, dining and dancing until 3 a.m. Cabaret until 10.30 p.m. Tel: 586 1022.

LEGAL NOTICES

In the HIGH COURT OF JUSTICE Chancery Division Companies Court in the Matter of ELLIOTT PRINTERS LIMITED and in the Matter of the Companies Act, 1948.

Mr. Alan Gregson has been made financial controller of Levi Strauss Northern Europe, which covers the U.K. and Scandinavia and he has also become financial director of LEVI STRAUSS (UK).

Mr. G. A. G. Shepherd has been appointed secretary of HARTLEY COOPER HOLDINGS in succession to Mr. R. A. Brazier who remains a director.

Mr. A. W. Fleming has been appointed group managing director and chief executive of McCLEERY L'AMIE GROUP from July 25. He will join the group from Linduistries, having been a main board director since 1963...

Mr. L. S. F. Charles, deputy managing director of the British Aluminium Company, has succeeded Dr. R. E. Wiesinger as chairman of the EUROPEAN WROUGHT ALUMINIUM ASSOCIATION, for 1977 to 1978.

Mr. J. E. Drinkwater has been appointed as a director of ADWES GROUP from July 1 and will continue as managing director of Mawdale's, a subsidiary.

Mr. F. Gray, sales director of TECHNOLOR AUDIO VISUAL SYSTEMS, has been appointed managing director from July 1.

Mr. K. E. Bateman has been appointed sales director of FIRESTONE INDUSTRIAL PRODUCTS COMPANY, succeeding Mr. J. K. Pascoe, who moves to Brussels to head a sales operation within the group.

On July 1, Mr. J. C. Kelly and Mr. W. R. C. Short become assistant general managers of the BRITISH BANK OF THE MIDDLE EAST. Mr. A. R. G. Standing takes over as chief inspector from Mr. S. Bradford who has become made general manager and a member of the Board.

Mr. Norman R. Leigh, vice-president, has been named manager of the London office of SECURITY PACIFIC BANK and Mr. Robert B. Boney, vice-president, has been designated money market co-ordinator for Europe. Mr. Douglas E. Hamilton, who recently retired from the Royal Bank of Scotland, Glasgow, has been appointed manager-correspondent banking and trade finance for the U.K. at Security Pacific.

Mr. A. C. Laws has become chairman of TIGERS STEVENS AND ADAMS, and has been succeeded as managing director by Mr. Edwin Whitlock, who has been chairman since 1970.

SOLICITOR PRIVATE BANK AND TRUST COMPANY

A private bank with offices in the West End of London requires a young Solicitor (preferably a graduate) to complete its team of lawyers and accountants engaged in devising and implementing solutions to the financial and legal problems in advising the bank's customers both individual and corporate.

DISTRICT COURT OF THE PRINCIPALITY OF LIECHTENSTEIN

Edict of adjudication in bankruptcy Upon application by Dr. Dr. Herbert Batliner, Attorney-at-Law, Vaduz, administrator in the extension agreement matter of the Finanz- und Vertrauens Handels Anstalt, Schaan, the company of

Finanz- und Vertrauens Handels Anstalt, Schaan, has, by decree of the District Court of the Principality of Liechtenstein, bankruptcy section, Vaduz, of today's date, been judicially declared bankrupt.

All creditors of the company of Finanz- und Vertrauens Handels Anstalt, Schaan, are called upon to lodge proof of their claims, advising the legal consultant and the category claimed (category 1-4), with the receiver Dr. Dr. Herbert Batliner at the latest by the 25th September, 1977.

As the here present bankruptcy proceedings involve an unusually high number of creditors, individual service to the creditors will not be made as the essential points of the document to be served will be announced in the official Liechtenstein publication organs.

Those creditors so requested will be served directly with decisions in the here present bankruptcy proceedings. The consequences of the service already come into effect when the public announcement is made (art. 1, para. 5, Bankruptcy Code).

DISTRICT COURT OF THE PRINCIPALITY OF LIECHTENSTEIN DECREE

Extension agreement matter: Finanz- und Vertrauens Handels Anstalt, Schaan The extension agreement granted to the Company of Finanz- und Vertrauens Handels Anstalt, Schaan by decree of the District Court of the Principality of Liechtenstein, Vaduz dated 25.2.1977 (ON 3) is, upon the application of the appointed administrator Dr. Dr. Herbert Batliner, attorney-at-law, revoked.

District Court of the Principality of Liechtenstein Vaduz, on 25.5.1977. Note: The right of appeal as legal redress against the decree is allowable within 14 days after delivery at the Superior Court of the Principality of Liechtenstein in Vaduz.

APOLLO The world's leading magazine of Arts and Antiques

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INTERNATIONAL INVESTMENT BANK Moscow US \$ 500,000,000 LOAN 1977/1984

Table listing various banks and financial institutions associated with the International Investment Bank Moscow loan, including Allgemeine Bank Nederland N.V., Bank für Handel und Industrie AG, Bankers Trust International Limited, etc.

WALL STREET + OVERSEAS MARKETS + FOREIGN EXCHANGES Sterling steady

BY OUR WALL STREET CORRESPONDENT

PROFIT-TAKING sent Wall Street mildly lower today. Dow Jones Industrial Average came back \$6.00 to 924.10 and the NYSE All Common Index shed 8 cents to \$55.34, while losses led gains by 724-to-687. Trading volume, however, fell 6.62m. shares to 19.87m.

Traders were rattled by news that major Steel Mills had a "marked decline" in July orders and that some industry leaders...

Another bearish report on Retail Business also affected sentiment. The Government reported a narrowing of the May U.S. Trade Deficit to a seasonally adjusted \$1.22bn from the record \$2.62bn shortfall in April.

U.S. Steel went down \$1 at \$89.15. Bethlehem Steel fell \$1 to \$82.15. Lykes, which sees a second quarter and full year loss, dipped \$1 to \$82.

MONDAY'S ACTIVE STOCKS

Table of stock prices for Monday's active stocks, including American Steel, Republic Steel, and National Steel.

OTHER MARKETS

Canada mixed. Canadian Stock Markets were mixed yesterday. Kaiser Steel finished off \$1 at \$89.

Indices

NEW YORK -DOW JONES

Table showing Dow Jones Industrial Average and NYSE All Common Index for the week of June 27-29, 1977.

STANDARD AND POOLS

Table showing Standard and Poors Industrial and Composite indices for the week of June 27-29, 1977.

OVERSEAS SHARE INFORMATION

NEW YORK

Large table listing various international stocks such as Anglo-American, Anglo-Iranian, Anglo-Persian, and Anglo-Siam.

The gold share index moved ahead 14.2 to 963.3, utilities put on 0.72 to 160.58 and papers firmed 0.36 to 99.05, but metals and minerals lost 5.3 to 1099.2, oil and gas shed 2.8 to 1293.6 and banks eased 0.51 to 238.84.

Technicalists jumped \$12 to \$92.15 following a strike at its Washington and Oregon facilities. Technicalists jumped \$12 to \$92.15 following a strike at its Washington and Oregon facilities.

Paris-Slightly higher. The 1/2 percentage point rise in Call Money to 8 1/2 per cent. and News of the O.S. per cent. Retail Price rise in May had no effect on trading.

Brussels-Falls outnumbered gains in quiet trading. U.K. and French stocks rose, Gold Mines also climbed and American stocks moved up.

Amsterdam-Slightly higher in quiet trading, with Royal Dutch rising P.2 to 327.15. Banks, Insurances and Transports firmed, but most Trading and Insurance Stocks fell.

Milan-Stocks firmed slightly in quiet trading. Swiss Shares were mixed, Dutch Internationals were slightly lower.

Vienna-Market continued quietly steady. JOHANNESBURG-Gold shares firmed in line with the higher bullion price.

Germany-Mixed trend. Some major Chemicals gained up to DM1.20 but Motors slipped to DM30.90 and Engineering by up to DM2.

Hong Kong-Slightly lower in light trading. Hong Kong Bank went down 10 cents to \$HK17.70, Hong Kong Light 10 cents to \$HK21.20, Hong Kong Telephone 25 cents to \$HK13.10.

Tokyo-Mostly higher. Precision Machineries firmed, while Musical Instruments and Food moved higher.

Australia - Mixed, with Banks, Base Metals and Retail Stocks higher. Pancontinental rose 50 cents to \$A11.90.

ANZ Bank put on 7 cents to \$A3.67, Wales 2 cents to \$A3.20 and National also 2 cents to \$A3.27.

BHP shed 2 cents to \$A6.40 and

Notes: Overseas prices shown below unless otherwise stated. Asterisks (\*) denote shares listed on the London Stock Exchange.

INVESTMENT PREMIUM BASED ON \$2.60 PER \$100 (113%)

Table of investment premiums for various international stocks, including Anglo-American, Anglo-Iranian, Anglo-Persian, and Anglo-Siam.

VIENNA-Market continued quietly steady.

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STERLING STEADY

Sterling experienced another steady day in yesterday's foreign exchange market gaining 4 1/2 points over the U.S. dollar to finish at \$1,700.1250.

Conditions surrounding the U.S. dollar gave an unclear picture. While holding its own against some major European currencies, there was a persistent switching out of dollars spurred on by a generally gloomy picture.

Elsewhere most currencies traded quietly with the Japanese yen continuing its easier trend, but gaining a little ground.

Gold attracted some buying interest and improved \$2 1/2 to \$324.1437 at the close.

EXCHANGE CROSS-RATES

Table showing exchange rates for various currencies including US Dollar, Swiss Franc, German Mark, and others.

EURO-CURRENCY INTEREST RATES\*

Table showing Euro-currency interest rates for various currencies and terms.

FORWARD RATES

Table showing forward rates for various currencies and terms.

OSLO

Table showing stock prices for various companies in Oslo.

JOHANNESBURG

Table showing stock prices for various companies in Johannesburg.

PARIS

Table showing stock prices for various companies in Paris.

BRUSSELS/LUXEMBOURG

Table showing stock prices for various companies in Brussels/Luxembourg.

AMSTERDAM

Table showing stock prices for various companies in Amsterdam.

VIENNA

Table showing stock prices for various companies in Vienna.

COPENHAGEN

Table showing stock prices for various companies in Copenhagen.

MILAN

Table showing stock prices for various companies in Milan.

STOCKHOLM

Table showing stock prices for various companies in Stockholm.

GOLD MARKET

Gold Bullion (in fine ounce) Close (283.88) 1453 1340.00, Premium 1453 1340.00, Morningstar 1453 1340.00, Average tag 1453 1340.00.

Gold Coins: American Gold Eagle 1453 1340.00, Canadian Gold Maple Leaf 1453 1340.00, British Gold Sovereign 1453 1340.00.

FOREIGN EXCHANGES

Table showing foreign exchange rates for various currencies.

SPECIAL DRAWING RIGHTS RATES

Table showing special drawing rights rates for various currencies.

OTHER MARKETS

Argentina (283.88) 1453 1340.00, Australia (283.88) 1453 1340.00, Belgium (283.88) 1453 1340.00.

EURO-CURRENCY INTEREST RATES\*

Table showing Euro-currency interest rates for various currencies.

FORWARD RATES

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Vertical advertisement on the right edge of the page, partially cut off, with the word 'PERSONA' visible.

Handwritten notes and scribbles at the top right of the page.

India will limit tea exports

By Our Own Correspondent
Tea prices on the domestic market have forced the Indian government to limit tea exports...

Bumper British cereals harvest forecast

BY JOHN EDWARDS, COMMODITIES EDITOR
BRITAIN'S cereals harvest this year should definitely match or exceed the 1974 record crop...

Sharp falls in coffee and cocoa

By Richard Mooney
COFFEE FUTURES prices continued to fall in the London terminal market yesterday as Brazilian frost fears faded...

The Colorado beetle An unwelcome visitor back in Britain

BY CHRISTOPHER PARKES
LAST WEEK a Sussex gardener found an attractively striped beetle...



The Colorado beetle (Leptinotarsa decemlineata) is to be found in potato fields...

The Colorado beetle (Leptinotarsa decemlineata) is to be found in potato fields, tomato plants, green peppers, and weed patches containing black and woody nightshade...

Copper down as strike bars ease

Our Commodities Editor
COPPER PRICES fell on the London Metal Exchange yesterday following a larger than expected rise in warehouse stocks...

Call for free trade in oilseeds

BY DAVID EGLI
DEVELOPED COUNTRIES should liberalise their import controls to provide free access for all oilseeds and oil products...

RECORD INDIAN GRAIN STOCKS

NEW DELHI, June 27.
INDIA'S stocks of foodgrains are a record 22.5m. ton according to official figures...

Silver output below forecast

WORLD MINE production of silver in the first five months of 1977 is estimated to be 270 million troy ounces...

Not guilty pleas to soya charges

CHICAGO, June 27.
PLEASE OF not guilty to criminal charges brought on June 17 involving soybean futures trading were entered in a U.S. district court here...

ZINC CUTS

More production cuts at the Avonmouth zinc smelter will reduce production to around 80 per cent of normal levels...

COMMODITY MARKET REPORTS AND PRICES

Table with multiple columns listing commodity prices for metals, grains, oilseeds, and other goods.

SOYABEAN MEAL

Table listing soyabean meal prices for various grades and origins.

PRICE CHANGES

Table showing price changes for various commodities over different periods.

COMPANY NOTICES

Various company notices including dividend information and financial reports for several firms.

SILVER

Table showing silver prices in London and other markets.

COFFEE

Table showing coffee prices for various grades and origins.

RUBBER

Table showing rubber prices for different types and grades.

MEAT/VEGETABLES

Table showing prices for various meats and vegetables.

GRAINS

Table showing prices for various grains like wheat, barley, and oats.

WOOL FUTURES

Table showing wool futures prices for different grades.

COCONA

Table showing coconut prices for various types.

COGONA

Table showing cogon prices for different grades.

JUTE

Table showing jute prices for various grades.

Textile quota

Textile quota information regarding import and export restrictions.

FINANCIAL TIMES

Table with financial data, including stock prices and market indices.

REUTERS

Table with financial data from Reuters, including stock prices.

DOW JONES

Table with financial data from Dow Jones, including stock prices.

LONDON COMMODITY CHARTS

Table with commodity prices and market data for London.

China sounded on rice pact

Mr. Tanco, new president of the World Food Council, has contacted the People's Republic of China to test its reaction to an international rice market agreement.

STOCK EXCHANGE REPORT BP share sale success leads to good tone in equities Share index up 9.9 at 459.5—Gilt rises to a full point

Account Dealing Dates
Option
First Declared Last Account Dealings Dates

no means outclassed in the latter respect. However, posting individual gains to 11 as in ICI, at 41p. Following the 30 minutes suspension of dealings in BP old shares to synchronise the start of business in North America and London after the announcement of the U.K. basis of allotment and the price and number of shares to be allotted to the U.S. syndicate, a heavy trade was transacted in BP fully paid shares and in the Renouanceable Letters of Acceptance. After being suspended at 41p, the fully-paid shares opened at 52 1/4 and touched 52 3/4 before ending at 52 1/4. The partly-paid shares opened at 36 1/4 and touched 36 1/4 before ending at 36 1/4. The closing prices in these cases were taken at 5.55 p.m. but dealers were expecting to be trading with their U.S. counterparts until about 8.30 p.m.

Gilts livelier
Encouraged by the trend in U.S. interest rates, a more reassuring weekend Press and subsequent business which was attributed to U.K. clearing, switching their reserve assets slightly longer, the market in British Funds had its best day for two weeks. Sentiment also reflected hopes that part of the surplus funds in the BP oversubscription would find its way into gilt-edged. The heaviest recently depressed level of trade occurred at the London end of 4.827, the highest for a fortnight and comparing with last week's daily average of 4.288. The level of markings was not swollen by the lengthening official trade in equities generally, the cut-off time of 2.15 p.m. still being adhered to despite the extra hour which was allowed in the unique circumstances of the BP issue for which official business was extended by two hours to 5.30 p.m.

Industries, while week-end Press mention drew buyers' attention to Antony Gibbs, which rose 3 to 31p. In firm Hire Purchases, UDT gained 4 to 34p on a chart buy signal. Insurances were firmer throughout with Sun Alliance 10 better at 480p. Royals 8 higher at 348p and General Accident and Guardian Royal Exchange both 6 dearer at 196p and 206p respectively. C. K. Heath put on 13 to 62 1/2 p. Buildings staged useful improvements such as rises of 6 and 8 respectively in Richard Costain, 310p, and Taylor Woodrow, 366p, while UBAI put on 5 to 38p and George Dew gained a similar amount to 709p. Extending from record profits, A. Monk rose 4 to 79p and fresh buying in front of 7-day's interim figures helped SGB advance 3 to a 1977 peak of 103p. AP Cement ended 4 to the good at 194p and Blundell Permaine edged forward a penny to 54p; the latter's interim announcement is due to-morrow. Upset by the chairman's profits warning at the annual meeting, Aberdeen Construction lost 3 to 75p. ICI 11 better at 41p, after 41 1/2, led the Chemical sector into higher ground. Fisons also did well with a gain of 12 to 360p, while further speculative support further consolidated last Friday's gains of 10 to 21 1/2p. Colloids 8 higher at 21 1/2p; the latter's results are expected shortly. A Press suggestion that Turner and Newall could be an interested suitor attracted further support of Storey Bros., which ended 7 up at 100p.

GEC good
Apart from Reyrolle Parsons, leading Electricals were firm. GEC led the advance with a rise of 10 to 208p, while BICC gained 9 to 118p, and Thorn A advanced 10 to 306p. Plessey closed 3 better at 88p and EMI 5 up at 226p. Reyrolle Parsons, however, reflected the bid situation with Clarke Chapman and rose 11 more to 174p; Clarke Chapman hardened 4 to 84p. Electronic issues were stimulated by Rascal which, still reflecting last week's good results, rose 22 further, to 42 1/2p. Other good performers in the area included United Scientific which, on bid speculation, gained 13 to 17 1/2p, while rises of between 7 and 9 were scored by A. B. Electronics, 120p, Electrocomponents 174p, Farnell Electronics, 167p, and M. K. Electric, 170p. Pyc improved 4 to 96p. The higher profits and proposed scrip issue left Dorman Smith A 2 better at 98p. Leading Stores closed at the day's best. W. H. Smith A put on 13 to 330p in a thin market and House of Fraser, buoyed by revived takeover hopes, gained 5 to 122p. Marescaux put on 7 to 144p, while Marks and Spencer added 3 to 120p with the help of Press mention. Sun-Corinthian Holdings hardened 2 to 16p, after 17p, on news of the bid developments, 21.4m. U.S. deal with Sears John Stephen returned to the market yesterday at 31p and remained around that level which is slightly below the agreed 33p price. In firm Hire Purchases, UDT gained 4 to 34p on a chart buy signal. Engineers provided several firm features with most occurring outside of the leaders. Resurgence of speculative bid hopes brought a gain of 6 to 35p in Tex Abrasives, while 5p and, awaiting fresh developments in the bid situation, Mann 11 to 69p, after 72p in a thin market, also on bid speculation. Week-end Press mention prompted gains of around 5 in also attracted buyers and closed higher at 145p. ESG Inter-national was marginally better at 28 1/2p; the rights issue, while the new 10p bid shares opened at 27p, the Ordinary closed up premium. Oliver Rix celebrated the first-half return to profitability with a marginal improvement to 31p. With Trafalgar House finally declaring its bid discussions with Beaverbrook, the A shares attracted further speculative support and, after a busier trade, closed 8 higher at a 1977 peak of 37p. The Ordinary closed up altered at 300p. Elsewhere in Newspapers, North Sea-orientated stocks, performed well with Associated 8 higher at 153p and the good at 60p. The former's preliminary results are due next Monday.

Land Sees, down
Land Securities were a poor feature on disappointment with the property devaluation, after having held steady at 197p in front of the mid-day results, the price fell quite sharply to touch 187p before rallying slightly to 192p. Gains of 5 were seen on the LS profits appeared to be fairly well in line with market expectations. Nardin and Peacock were a penny better on the scrip issue at 74p. Resco hardened 2 to 40p and Supermarkets where Press comment was reflected in a rise of 4 to 44p. Lennox, 35p, and 4 to 44p. Kwik Save, 177p. Hotels Bostons improved 6 to 217p and Grand Metro, 217p, and Great Portland, 210p, and Great Portland, 238p. Law Law, 37p, and Scottish Metropolitan, 37p, put on 2 and 3 respectively, but Estates Agency were dull at 42p, down 2.

Pilkington's rise
Miscellaneous Industrial leaders had Pilkington Bros, particularly firm and closing 27 up at 32p, after 40p. The latter also finished with an above-average rise of 18 at 490p. Boots, 181p, Beecham, 488p, and Glaxo, 357p, were all around 8 higher, as were Bank Organisations, at 108p; the last-named has interim figures due on July 18. 9p. Reckitt and Coleman gained 10 to 460p reflecting the good interim results from its Australian subsidiary. Norzong mirrored the better second-half achievement and rose 6 to 74p. Record profits helped Robert Moss rise 3 to 35p, while the good results included BTE, which, however, raised a penny to 13 up at 28p, and Powell to 2.

hardened 4 to 4p, while General Consolidated put on 3 to 71p. Press comment directed attention to F and O Deferred which closed 3 better at 132p. Elsewhere in Shippings, Walter Ruzicman returned to favour, the Ordinary rising 4 to 105p and the new 10p bid shares moving up 6 to 12p premium. Other firm spots included Milford Docks, 4 better at 81p. Textiles continued firmly with Courtaulds closing 5 higher at 133p. Dawson International rose 4 to 93p and Nottingham Manufacturing were again in demand at 80p.

Charter gain ground
The sharp upturn in the U.K. equity market prompted a reasonable demand for the London-based Financials, especially Charter Consolidated, which with the additional bonus of week-end Press comment advanced 10 to 118p. Other issues to move ahead included Gold Fields, which rose 5 to 142p reflecting the higher bullion price. Rio Tinto-Zinc, 3 better at 213p and Selection Trust, 2 up at 416p ex-dividend. South African Golds were a shade firmer on balance owing to the 32.25 gain in the metal price to 312.875 per ounce. Although the Gold Mines index remained unaltered at 110.9, this mainly reflected the constituents going ex the June dividends. In cum dividend from the index rose 1.8 to 131.7.

RISES AND FALLS YESTERDAY
British Funds up 2 1/2
Foreign Bonds up 2 3/4
Contracting Comp. up 1 1/2
Financial and Prop. up 2 1/2
Miscellaneous up 1 1/2
Total up 1 7/8

FINANCIAL TIMES STOCK INDEX
Table with columns for Date, Government Sec., Fixed Interest, Industrial Ordinary, Gold Mines, etc.

HIGHS AND LOWS
Table with columns for Stock, High, Low, etc.

ACTIVE STOCKS
Table with columns for Stock, Denomination, Closing price, etc.

OPTIONS TRADED
Table with columns for DEALING DATES, Stock, etc.

NEW HIGHS AND LOWS FOR 1977
Table with columns for NEW HIGHS (110), NEW LOWS (7), etc.

THOSE REQUIRING THE FT DAILY, PLEASE SIGN BELOW: Dare you circulate this? In these competitive times everyone in business needs the FINANCIAL TIMES EUROPE'S BUSINESS NEWSPAPER

RECENT ISSUES
Table with columns for Issue Price, Date, etc.

RIGHTS OFFERS
Table with columns for Issue Price, Date, etc.

FT-ACTUARIES SHARE INDICES
Table with columns for EQUITY GROUPS, FIXED INTEREST PRICE INDICES, etc.

AUTHORISED UNIT TRUSTS

OFFSHORE AND OVERSEAS FUNDS

Table of Authorised Unit Trusts listing various funds such as British American, British Overseas, British World, and others with their respective details and prices.

Table of Offshore and Overseas Funds listing international investment funds like Fidelity, F.R.S.T., and others with their details and prices.

BASE LENDING RATES

Table of Base Lending Rates for various banks including B.N. Bank, Irish Bank, and others.

ROYAL REVIEWS AT SPITHEAD

Geoffrey Bennett
A deep-water channel that leads into Portsmouth Dockyard has been the scene of naval reviews by many monarchs since Henry VIII.

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INSURANCE, PROPERTY, BONDS

Table of Insurance, Property, and Bonds listing various companies and their services.

Table of Insurance Base Rates listing various insurance policies and their rates.

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FT SHARE INFORMATION SERVICE

INDUSTRIALS (Miscel.)

Exporting in easier with FULL CREDIT COVER INTERNATIONAL FACTORS LIMITED

BRITISH FUNDS table with columns for Stock, Price, Div, and Yield

Shorts (Lives up to Five Years) table with columns for Stock, Price, Div, and Yield

Five to Fifteen Years table with columns for Stock, Price, Div, and Yield

Over Fifteen Years table with columns for Stock, Price, Div, and Yield

Undated table with columns for Stock, Price, Div, and Yield

INTERNATIONAL BANK table with columns for Stock, Price, Div, and Yield

CORPORATION LOANS table with columns for Stock, Price, Div, and Yield

COMMONWEALTH & AFRICAN LOANS table with columns for Stock, Price, Div, and Yield

LOANS (Miscel.) table with columns for Stock, Price, Div, and Yield

CANADIANS table with columns for Stock, Price, Div, and Yield

BEERS, WINES AND SPIRITS table with columns for Stock, Price, Div, and Yield

FOREIGN BONDS & RAILS table with columns for Stock, Price, Div, and Yield

AMERICANS table with columns for Stock, Price, Div, and Yield

BUILDING INDUSTRY—Continued table with columns for Stock, Price, Div, and Yield

BUILDING INDUSTRY, TIMBER AND ROADS table with columns for Stock, Price, Div, and Yield

CINEMAS, THEATRES AND TV table with columns for Stock, Price, Div, and Yield

DRAPERY AND STORES table with columns for Stock, Price, Div, and Yield

DRAPERY AND STORES—Continued table with columns for Stock, Price, Div, and Yield

DRAPERY AND STORES—Continued table with columns for Stock, Price, Div, and Yield

DRAPERY AND STORES—Continued table with columns for Stock, Price, Div, and Yield

ELECTRICAL AND RADIO table with columns for Stock, Price, Div, and Yield

CHEMICALS, PLASTICS table with columns for Stock, Price, Div, and Yield

ENGINEERING, MACHINE TOOLS table with columns for Stock, Price, Div, and Yield

ENGINEERING—Continued table with columns for Stock, Price, Div, and Yield

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INDUSTRIALS (Miscel.) table with columns for Stock, Price, Div, and Yield

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Conversion factor 0.7086 (0.7085)



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INDUSTRIALS - Continued. Table listing various industrial companies with columns for Stock, Price, and other financial metrics.

MOTORS, AIRCRAFT, TRUCKS. Motors and Cycles, Commercial Vehicle, Components, Garages and Distributors. Table listing automotive-related companies.

PROPERTY - Continued. Table listing real estate and property-related companies.

TRUSTS - Continued. Table listing trust and financial services companies.

MINES - Continued. Table listing mining companies, including sections for AUSTRALIAN, SOUTH AFRICANS, and MISCELLANEOUS.

YASUDA TRUST AND BANKING logo and name.

CENTRAL AFRICAN. Table listing Central African mining companies.

AUSTRALIAN. Table listing Australian mining companies.

TINS. Table listing tin mining companies.

OVERSEAS TRADERS. Table listing overseas trading companies.

RUBBERS AND SISALS. Table listing rubber and sisal companies.

TEAS. Table listing tea companies.

SRI LANKA. Table listing Sri Lankan companies.

AFRICA. Table listing African companies.

MINES. Table listing various mining companies.

CENTRAL RAND. Table listing Central Rand mining companies.

EASTERN RAND. Table listing Eastern Rand mining companies.

PAR WEST RAND. Table listing Par West Rand mining companies.

O.F.S. Table listing O.F.S. companies.

FINANCE. Table listing finance-related companies.

DIAMOND AND PLATINUM. Table listing diamond and platinum companies.

INSURANCE. Table listing insurance companies.

NOTES. Detailed text providing information about the listed companies, including their financial status, share structure, and other relevant details.

Recent Issues and Rights Page 38. Information regarding recent company issues and rights.

REGIONAL MARKETS

The following is a selection of London quotations of shares previously listed only in regional markets. Prices of shares are quoted on the London Exchange.

OPTIONS - 3-month Call rates

Table listing 3-month call rates for various options.

Riley advertisement: There are no finers springs than Riley. Robert Riley Ltd. Rochdale, W. 44 55L.

RENTCO advertisement: Now more than ever pay to rent. RENTCO NATIONWIDE LTD. 01-948 02.

British Gas rejects profiteering charge

BRITISH GAS last night refuted that British Gas had exceeded its reference level (a profit of 2 per cent on turnover) by 236.6m.

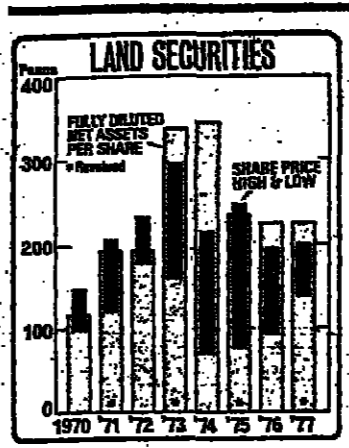
Owen will take three-point plan to Rhodesia

THE BRITISH and U.S. Governments are working on the final stages of a three-point plan for a negotiated settlement in Rhodesia which Dr. David Owen, the Foreign Secretary, will take with him when he visits Southern Africa at the end of next month.

City's role in the BP bonanza

The trouble with an offer for sale is that it tends to produce either a resounding flop or an embarrassing bonanza. The City would have been a laughing stock if the BP sale had not gone well.

Index rose 9.9 to 459.5



Violence at Grunwick prompts Tory labour policy re-think

THE VIOLENCE outside the gates of the Grunwick factory has encouraged the Conservative Party to reconsider its intention to legislate to restrict the activities of the P.T.U.C.

Benn sacks top energy adviser

MR. ANTHONY Wedgwood, Secretary for Energy, has sacked his chief scientist, Dr. Marshall, as a result of his refusal to accept the Government's nuclear power programme.

Land Securities

As the largest property company in the world, it was near of Land Securities to catch the market on both ways yesterday.

Policy boost for buses

British Rail welcomed the assurances given about its future, but said Mr. Rodgers had failed to define or resolve the central problem of reconciling conflicting social and financial objectives.

U.S. likely to reject Israeli peace plan

AN ISRAELI plan for a Middle East peace settlement to be taken to Washington by Mr. Begin, next month, seems certain to bring him into direct conflict with President Jimmy Carter.

A few words about Tokai Bank's expanding international operations.

TOKAI BANK advertisement featuring a cartoon illustration of a man and a woman talking. The man says: 'At present we have over 20 offices and affiliates around the world, and we opened in Hong Kong and recently opened in Paris.' The woman replies: 'It probably doesn't surprise you we're modern, progressive, and one of the first banks in the world to utilize on-line computerization in our banking operations.' The man says: 'What may surprise you is our commitment to international banking.' The woman says: 'So don't just think of us as a Japanese Bank. Think of us as a bank that serves Japan and the world.' TOKAI BANK logo at the bottom.

Weather

U.K. TODAY: SOME rain at first but mostly dry and cool later. London, E. Anglia, S.E. and East of England, C. Islands. Cloudy, rain at first, sunny spells later.

Lake District, Isle of Man: Mostly dry, rather cloudy. Wind W., moderate. Max. 17C (63F).

Borders, S.W. Scotland, N. Ireland: Sunny intervals, a few showers. Wind W., moderate. Max. 16C (61F).

Table with 2 columns: City, Temperature (Mid-day, Min, Max). Cities include Amsterdam, Athens, Bahrain, Barcelona, Beirut, Berlin, Bombay, Brno, Bucharest, Cardiff, Copenhagen, Dublin, Edinburgh, Frankfurt, Geneva, Glasgow, Hamburg, Helsinki, Hong Kong, Istanbul, Johannesburg, London, Lyons, Madrid, Manila, Mexico City, Moscow, New York, Ottawa, Paris, Perth, Rome, Seoul, Singapore, Stockholm, Sydney, Taipei, Toronto, Warsaw, Wellington, Zurich.

Table with 2 columns: City, Temperature (Mid-day, Min, Max). Cities include Aberdeen, Belfast, Birmingham, Bristol, Cardiff, Edinburgh, Exeter, Glasgow, Liverpool, London, Manchester, Newcastle, Nottingham, Oxford, Plymouth, Reading, Southampton, Swansea, Cardiff, Belfast, Birmingham, Bristol, Cardiff, Edinburgh, Exeter, Glasgow, Liverpool, London, Manchester, Newcastle, Nottingham, Oxford, Plymouth, Reading, Southampton, Swansea.

Continued from Page 1: Barnett specific earnings limit in any agreement. So Mr. Barnett's reference to basic wage rates is effectively only a statement of Government hopes and an outline of the Treasury's calculations.